The Oil World.

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Requa Offers Assistance To The Industry
Governor To Address Kentucky Association

Oil Controller Will Co-operate

WASHINGTON, D. C.—The appointment of Oil Controller Requa is not going to affect the status of the Petroleum War Service Committee, according to information made public by Dr. Garfield and Requa himself.

Mr. Requa stated that for the present, at any rate, he desired the Committee to continue its activities without any change, in order that the flow of oil products to the Allies and for domestic consumption should not be interrupted. Acting on his request, the Committee has agreed to continue to serve, Chairman Bedford stated.

At a recent meeting between Requa, Dr. Garfield and the Committee the Committee was told that the administration has no intention of taking up a price-fixing policy for the present. A survey of the entire industry is to be made, however, to determine what action the government can take to assist in supplying more effectively the fuel oil and other oil products necessary for war purposes and also for domestic consumption.

The statement issued by Dr. Garfield to the public following that meeting is as follows:

Ask Co-operation.

"Both Dr. Garfield and Mr. Requa stated it was the desire of the Fuel Administration that the men representing the petroleum industry should co-operate fully with and give to the Fuel Administration the benefit of their knowledge, to the end that whatever control is to be exercised shall be only after full knowledge of all phases of the problem and of an intelligent and constructive character.

"It was further stated that the appointment of Mr. Requa at this time was not because of any new conditions, but that fuel oil having been included among the duties assigned to Doctor Garfield by the President the subject had been reached in the natural course of events and that a department head in the person of Mr. Requa had been appointed.

"It was indicated that it was not the intention of the Fuel Administration to take up at present the question of price fixing, but that a general survey of the whole industry would be made in co-operation with the various branches thereof, with a view to determining what action the Government might take to assist in supplying more effectively the necessary fuel for war purposes and to provide and arrange for the supplies of fuel oil necessary to the various industries at home.

"It is also the intention of the Administration to study the situation, with a view to co-ordinating by voluntary agreement the manufacture and distribution of petroleum products and to stimulate the production of crude oil, so that all needs shall be fully met at fair and just prices.

"Mr. Requa stated that it was his desire that the Petroleum War Service Committee should for the present continue its activities without change, to the end that there should not be any interruption in the continuous flow of petroleum products to the Allies or for our domestic uses."

Profits Made in Petroleum

"Midwest Refining earnings are running at the rate of $1,000,000 net per month."

Midwest Refining shares are of a par value of $50, have jumped from $35 to $145 since the latter part of 1915.

Cosden, par value $5, has ascended from $6 to $18.

Cosden Oil & Gas, par value $5, has ascended from $6 to $15.

Elk Basin Petroleum, a par value of $5, has jumped $7, from $6 to $13.

Federal Oil, par value, $5, from 38 cents to $5.

Merritt Oil, par value $10, from $9 to $31.

Oklahoma Producing and Refining, par value $5, from $6 to $13.

Sapulpa Refining, par value $5, from $7 to $12.

Carib Syndicate, par value $25, sold recently at $1,550.

The Cities Service Company, who operates several oil companies, earned for the 12 months ending March 31, 1917, $13,391,411. What other branch of industry can show such great earnings on the actual cash invested in its operation.

The gross earnings of the Cities Service Co. for last year report an increase of gross earnings of 126 per cent.

The Vacuum Oil Co. earned last year 61.48 per cent. Its capital is $15,000,000 and cash profits were $9,221,937.

Those persons who bought Ohio Oil Company stock four years ago, at $65 a share have received an aggregate of $62 in cash dividends and a 133 per cent. stock dividend, payable in Illinois Pipe Line Stock. Besides they have seen their stock sell at $400 per share, though it is now slightly below that.

Empire Fuel & Gas Co. for the three months ending April 30th earned $13,000,000.

Snowless at Last in Kentucky

Thanks for a snowless day. The operators in the Kentucky oil fields are happy to see the sun shine once again and hundreds of them went to the fields yesterday for the first time in several weeks.

Big plans for intensive operations is the order of things for the spring and as soon as conditions permit, this State, in many counties, will be dotted with rigs.

Kentucky Oil Men's Association To Give Big Banquet

PHOENIX HOTEL
LEXINGTON
JANUARY 26th, 1918

MENU

Half Grape Fruit

Olives

Red Radishes

White California Celery

Pickles

Wafers

Filet of Mignon Roulle
Hot Rolls

Snowflake Potatoes

Asparagus Tips
Cream Sauce

Tomato Surprise

Brick Ice Cream

Assorted Cake

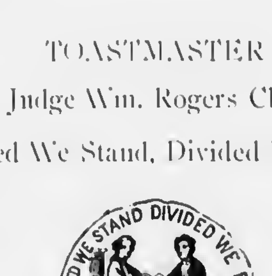
Demi Tasse

Cigars — Cigarettes

TOASTS

Mr. Wallace Muir......................"Our Future"
Mr. Thomas White......................"Production in Kentucky"
Judge J. M. Stevenson......................"Oil Resources of Kentucky"
Mr. Edward R. List......................"The Central West Association"
Governor A. O. Stanley......................"Our State"

TOASTMASTER
Judge Wm. Rogers Clay
"United We Stand, Divided We Fall"



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Mr. George Harmon	Mr. Harry Giovannoli

Mr. S. A. Slagel

Chief Speaker at The Banquet

GOV. A. O. STANLEY.

Governor A. O. Stanley will be the chief spokesman at the Kentucky Oil Men's banquet, to be held Saturday evening at the Phoenix Hotel. The Governor's subject is "Our State," and this gifted orator will doubtless discuss this great subject in his usual eloquent way.

The other speakers are well known throughout the State and combine to make the evening a time of great interest and profit to all those interested in the great oil resources of the State.

It is expected that fully four hundred guests will be present. It will truly be the greatest function ever held by the oil men in this State and in view of the important topics for discussion much material good is bound to be accomplished.

Three More Wells for Breathitt

Just as we are going to press we are informed that three more wells have been contracted for to be drilled in the northwestern portion of Breathitt County.

We are not permitted to publish the exact locations, but hope to furnish this to our readers in our next issue.

These wells, with several others in prospect, indicate the opinion in which Breathitt is held by operators who have carefully worked out the geolory of this territory. In former articles in the Irvine Sun and in The World we have pointed out the possibilities which lie in Breathitt County and have furnished to our readers certain technical information bearing on several portions of this promising new field. We have repeatedly pointed out the fact that the western limits of the Signboard-Hopewell field were fairly well fixed as to the area likely to be productive and that the big extension of this important field might well be found along its eastward course and particularly along the Willhurst anticline and its series of domes extending from War creek to Paxton, and embracing areas of considerable size on Frozen. Near Paxton, as we have previously reported, it seems to be well established that a very good well was drilled in the old days (some fifteen years ago) on the Shackelford farm.

Especial interest attaches to the new development, as two "pays" are expected to be found above the Irvine sand - both the "Berea" and "Big Injun"—and the pay in the Shackelford well was encountered in one of these sands.

During the year we predict that there will be a large number of wells drilled along the course of the structure from the Lee-Breathitt County line to where the strata flattens out at the eastern extremity east of Johnson's Fork, south of Hager, in Magoffin County.

The operators who are undertaking the development mentioned above are strong financially and expect to follow up this development with an extensive drilling campaign in Breathitt County.

The Banquet Saturday Night

The banquet to be held at the Phoenix Hotel Saturday evening promises to be a real big affair and it is expected that four hundred of the fraternity and others interested in the oil industry will be present.

Important matters of State and Federal interest will be discussed at the business session, which will precede the banquet.

Governor Stanley, who will be the chief spokesman, will doubtless say things that will be entertaining and helpful.

COASTAL FIELDS

HOUSTON, Texas.—Bad weather throughout the week culminating in a snow storm—the first in the Gulf Coast in 2 years—seriously interferred with operations in the various pools and as a consequence but minor completions were made. Operators are hoping that the appointment of an oil administrator will result in a speedy announcement regarding fuel oil prices so they will know where they "are at" and be guided accordingly. Many contracts between producers and pipe lines expired on December 31 last and will not be renewed until the Government acts.

The request of the operators that they be given a hearing before the full membership of the Mediation Board has been granted and it is expected that committees representing operators and strikers will be heard at Washington about January 22. W. S. Farish, president of the Texas Gulf Coast and Louisiana Oil Operators Association and a member of the War Service Petroleum Committee, is now in Washington and will be joined as soon as a date is set by other producers. The cause of the strikers will be in the hands of Edward Cunningham, president of the Texas State Council American Federation of Labor; Robert Evans, of Goose Creek, and Roy Carter of Sour Lake, members of the Grievance Committee. It will be recalled that the operators declined to abide by the findings of Verner Z. Reed, of Denver, a member of the Mediation Board, who ruled the strike should be declared off; eight hours to constitute a day's work and that a wage scale be fixed to become effective March 1 next. The hearing before the full board is in the nature of an appeal from the rulings of Mr. Reed.

Advices received here from Washington today quote Mark L. Requa, head of the oil division of the fuel administration, to the effect that it is the purpose of the division to work through producing organizations to encourage production and aid in distribution. The aid and co-operation of men representing the petroleum industry is invited to the end that control during the period of the war shall be only after full knowledge and of an intelligent character.

In the Goose Creek pool the Gulf Production Co. finished No. 5, Stateland, around 3,050 feet and it started flowing 800 barrels a day with but one-tenth of one per cent. sediment. It is now flowing 1,000 barrels a day. The Humble Oil & Refining Co. tested No. 3, Peninsula, at 2,000 feet without getting anything and is now drilling it deeper. The Midcoast Oil Co. No. 1, Leger, showed water at 2,000 feet and strainer has been pulled to deepen it.

In the Humble pool the Midcoast Oil Co. has a 10-barrel pumper in No. 5, Bering, and the Castelle Oil Co. a 25-barrel well in No. 5, Bering-Cortes. Both are shallow wells. The Grant Oil Co. abandoned No. 3, Bass, at 2,465 feet and No. 4 on the Williams at 2,700 feet. The Texas Co., No. 26 Stevenson, an old hole worked over, is doing 100 barrels a day on air. This company is setting screen in No. 22, Landslide, for a test at 2,850 feet. It looks good for a nice well. The company has abandoned No. 17, Koehler, at 2,700 feet and No. 9, House, on the north side of the river at 2,000 feet.

A wild rumor late in the week credited the Texas Exploration Co. with a 10,000 gusher in No. 1, Peak, at Damon Mound. It is without foundation. The company is reaming in that hole at 3,700 feet. It is the deepest hole in that development. The same company is reaming No. 3, Woodward, at 1,600 feet with both oil and gas showing and has abandoned No. 5A, Wisdom, at 1,000 feet. The Maniker Oil Co. is resetting strainer in No. 1, Bryan, at 1,348 feet and Andregge, Webber and Mayes are doing the same in No. 2, Lucas, at 1,150 feet. The Humble Oil & Refining Co. No. 1, Gallaher, is showing both oil and gas at 2,600 feet.

In the Sour Lake pool the Yount-Lee Oil Co. got salt water in No. 4, Warnell, when a test was made at 2,550 feet. Gilbert et al. have temporarily abandoned No. 1 fee, east of production in that pool at 4,435 feet. It is one of the deepest holes drilled in the Sour Lake district. The Empire Gas & Fuel Co. is cleaning out No. 1, Fuller, in the Saratoga pool which sanded up after strainer was set at 1,450 feet. In the Spindletop pool Phillips Bros. are testing No. 26, Higgins, at 730 feet and the Unity Oil Co. is setting screen in No. 40, National. Wilson-Broach, No. 3, Transit, is a 10-barrel pumper, while the Ad Moor Oil Co. has pulled No. 3, Trombly.

The Gulf Refining Co. is testing No. 2, Higgins, an old hole worked over in the Edgerly pool, at 2,300 feet and the Century Oil Co. has a fishing job in No. 1, Muller, there, the pipe twisting off at 2,325 feet while preparing to set strainer.

Better results attended work outside of the proven districts than was the case during the first week of the new year. The Terrebonne Oil & Gas Co. (McCormock interests of Shreveport) have a 15,000,000-foot gasser in No. 4, Lekelt, near Houma, Terrebonne Parish, La., about 45 miles southwest of New Orleans. It is the third big gas well developed by the company in that section. Application for a franchise to pipe New Orleans is now pending before the commissioners of that city. In Calcassien Parish, La., the New Orleans Oil & Sulphur Co. has abandoned No. 1 fee at 2,500 feet and the Welsh Petroleum Co. has quit in No. 1, Farmers Land Co., Jeff Davis Parish, at 3,300 feet. The Texas-Mex Oil Co. abandoned No. 14, Noleda, in the old Piedras Pintas district in Duval county, Tex., at 185 feet. P. E. Magee, of Tulsa, has a nice gasser at 450 feet in the shallow development eight miles from Brownwood, Brown County. The Taylor Oil & Gas Co. is setting screen in No. 2, Currens, near Seabrook, Harris County, for a test at 2,765 feet.

The estimated daily average output of the coastal pool is placed at 65,360 barrels for the week against an estimate of 70,203 barrels for last week. The estimate is divided as follows: Batson, 1,800 barrels; Bland, 10 barrels; Dayton, 50 barrels; Edgerly, 3,200 barrels; Goose Creek, 24,500 barrels; Humble, 16,000 barrels; Markham, 350 barrels; Jennings, 1,100 barrels; Spindletop, 1,100 barrels; Sour Lake, 9,200 barrels; Vinton, 3,650 barrels; Damon Mound, 2,000 barrels; Anse La Bute and Walsh, 60 barrels; New Iberia, 90 barrels; Piedas Pintas and the districts around San Antonia, 250 barrels.

At least 50 per cent. of the wildcat tests drilling in the Gulf Coast country and in the counties in southwest and west Texas are shut down temporarily, either from a shortage of supplies, lack of capital or some other cause. It is said that operations will not be resumed until conditions change and higher prices for crude prevail. Most of these tests are located in Brazoria, Harris, Fort Bend and Montgomery counties in Texas and Calcasieu Parish, La. In the first named county Gibson, Zalmiser and Wallace have junked their second hole at Rattlesnake Mound in the southeastern part of the county and are moving the derrick 100 feet to the east for No. 3. The first test was lost on account of the casing collapsing and the second was abandoned after futile attempts to get the 4½-inch pipe stuck in the hole. The parties have expended over $100,000 on the two holes at Rattlesnake. The formations and showing of gas are encouraging enough to justify them going in and spending more money on a third test. In addition to the 5,000 acres under lease in southeastern Brazoria county they have picked up about 40,000 acres in Eastland, Brown and other counties in central west Texas and will start some cable tests there as soon as the weather permits. The Texas Company is still fishing at West Columbia in No. 6 Kiser. The Tynan-Wyoming Oil Co.'s No. 2 on the Hogg land at West Columbia is shut down at 2,600 feet. Acreage held there by Isaac Jacobs and associates of Kansas City has lapsed.

The Gulf Production's No. 5 at White Point, near Corpus Christi, is shut down around 4,000 feet and may be abandoned. The Empire Gas & Fuel Co. is drilling a test hole about two miles west of the Piedras Pintas pool in Duval county and W. F. Braun and others of Tulsa have a large block of leases 10 miles south of Noleda, in that county. The San Diego Oil & Gas Co. is drilling No. 4 Tinney in that pool, while northern parties are taking up acreage 12 miles north and northwest. The Merritt interests of Duluth have a block of land 20 miles north of Piedras Pintas. J. E. Brown and associates of Okmulgee, Okla., are drilling No. 3 on the Swearengen, south of San Antonio, and Pittsburgh parties are drilling a deep hole on the Lamb tract, four miles southeast of the Swearengen.

The Rucker Oil & Refining Co. has changed to rotary rig on No. 1 Granthum, north of Brownwood, and Allison et al. are placing a heavier rig over No. 1 Keeler, five miles northwest of Brownwood. The hole is around 450 feet. A number of deep tests are scheduled to be drilled in Brown County by operators who have little faith in the permanency of the present shallow sand development around Brownwood. The Pecan Bayou Oil Co. will drill one on the Matlock and the Eastern Oil Co. of Oklahoma will drill three. J. C. McKallip, of Houston, has blocked up several thousand acres in Coleman, Brown and Mills Counties.

HOW TO INCREASE PRODUCTION

(By William R. Jewell, Geologist and Oil Engineer.)

In these days of war, while all the world is demanding conservation and greater production, one of the most important subjects is that dealing with the oil industry. Increased demands for fuel, gasoline and lubricants have indeed stimulated oil men in the development of petroleum, but at the same time have cut deeply into oil storage, and the consumption continues to exceed the production. Already the railroads are beginning to discontinue the use of oil for fuel. While it may be unlikely that there will be a serious deficiency of crude or refined oil, it is nevertheless important to provide against any such dire contingency by bending every scientific and practical effort to increase production.

Increased production of oil can be brought about in three ways, namely: (1) to remedy defects in producing wells which tend to retard capacity production; (2) to deepen wells which have never been drilled to the deeper sands and which is equivalent to (3) exploring new territory. What could be written on those three ways of increasing production would easily fill several large-size volumes. It is my purpose in this article to call attention to a few of the most salient factors in the hope that what I write may be of value in bringing about a better working knowledge of the oil business.

There are a number of conditions which retard capacity production in oil wells, among which are: Wells improperly shot; water not shut off; interstices of sand and perforations of casing clogged with paraffine or asphaltum; sands mudded up; wells improperly cleaned with packed sands effectually retarding the natural flow of oil from the sand to the hole. These defects, although well known in the oil production world, had best be diagnosed by a competent petroleum engineer specializing in that line of business, who will successfully apply to any of these conditions a proper remedy at a comparatively small cost. Among these remedies are: Re-shooting the well; excluding the water by cementing or by the use of a packer; steaming by means of hot oil or steam under pressure; swabbing, cleaning, and agitating. It frequently happens that the production of a well suffers not only by reason of any one of these conditions, but through more than one and probably all, and so it becomes necessary to apply a combination of remedies. Wells, which for years have been but indifferent producers, have repeatedly been made to double, even treble their production through the proper application of such methods.

The geology of the Mid-Continent field and particularly that of Kansas, Oklahoma, Illinois and Kentucky, is so simple that it is possible with but small percentage of error, for the geologist to determine the depths to the various sands which are known to produce oil. To do so it is merely necessary for him to identify the formation at the surface by means of the fossils in it. Since it is possible to know the depth to these deeper sands, it is remarkable that so many wells are now producing their oil from a lean sand, while by deepening, in some cases, not more than 50 feet, a much richer sand could be had. The fear of encountering water has been a considerable factor in preventing the deepening of wells, but with the modern equipment and methods for excluding water, such fears are groundless and should have no influence in fixing the depth of a well.

Much has recently been written of the Mississippi Lime. With all courtesy to those of the profession who believe it possible to produce oil from the Mississippian and from the formation underlying it, the writer adheres to the contrary so far as Kansas and Oklahoma are concerned, and believes that, when the drill has reached the Mississippi Lime, and it has been determined that it is the Mississippi Lime, further drilling should be stopped, for further drilling means but a waste of time and money—time and money, which under proper direction would result in increased production of oil. Without doubt, it has happened that formations erroneously called the Mississippian, have been drilled and production obtained. It is also a fact that many wells have ceased drilling in a formation erroneously classified as Mississippian, but we also have knowledge of wells which have penetrated over 2,000 feet of formation, which through paleontologic evidence we know in fact to have been the Mississippian. Granting that the Trenton Limestone of the Lower Silurian or Ordovician, which is productive of oil in Indiana and Ohio, underlies the Mississippian, it is not believed by me that it is within practical reach of the drill. Furthermore, the structures of these deeper geological formations are not conformable with the structures of the Pennsylvania or coal and oil bearing portion of the Carboniferous and, such being the case, no one having regard for the importance of structure in selecting a drill site, could consistently put down a well into a formation, the structure of which he could not possibly know. I believe in the deepening of wells where deepening is warranted, but not where deeper drilling is clearly impractical. Every foot of the Cherokee shales, which constitute the lowest and most important oil-bearing formation of the Pennsylvanian, should eventually be drilled, but the drilling should cease at the bottom of this formation. Before leaving this discussion of the Mississippian, I wish to concur in the opinion of the various writers that in no case should the expression "Mississippi Lime" be used as the depth limit in a contract, since it must in many cases afford opportunity to the contractor, who is finding deeper drilling unprofitable, to finish the well at an inadequate depth.

Increased production will always be influenced by intelligent field engineering work along geological lines. In conducting such work, the geologist is on the constant lookout for structures in an area fhere the surface formation indicates to him that oil-bearing sands lie within practical reach of the drill. It is a well-established fact that 75 per cent. of the world's production of petroleum is produced from structural heights such as domes and anticlines and terraces. The remaining 25 per cent. comes from monoclines and from synclines where there is no underground water. Hence the search for structural heights. The writer is inclined to share the opinion of Prof. R. G. George, Colorado State Geologist, that "the time has come when any closed structure is worth drilling," but would modify it by stipulating that no structure should be drilled which occurs in a formation older than the Ordovician. It is true that wells were drilled in the Cambrian or Pre-Cambrian rocks near Waterton Lakes, in the Canadian Rockies, and small amounts of oil obtained, but here was a unique condition of the Cambrian having been thrust over upon a younger formation which happened to be oil bearing. I would also take this opportunity of going a step further in asserting that any such structure is worthy of drilling provided there still remains uneroded an impervious covering sufficient to prevent the escape of oil and gas from the oil and gas formations involved in the structure, and further provided that water pressure emanates from the direction of the open side of the structure with sufficient pressure to drive the oil up into the structure. As a rule the most broadly arched anticlines are more or less open while narrower ones are closed and in this connection it is important to point out that the broader structures, due to greater drainage areas, are productive of larger quantities of oil. A perfect structure of itself does not produce oil or gas—it must be a structure in an area where the formations, consisting of sand, sandstone, shale, or limestone are petroliferous, and, since it has come to pass that the oil geologist knows which particular formations are oil bearing, he has an excellent idea of where to look for a structure that is reasonably sure to produce oil.

As a matter of fact, the search for oil has reduced itself to that of an exact science, which, when applied in all good faith and earnestness, will result in the development of much new territory. And this new territory, developed in accordance with the best engineering practice, will be made to produce at maximum capacity. For this attainment every operator should strive.

EXPORTS IN 1917

NEW YORK.—Conditions which have governed the petroleum industry during the year 1917, revealed abnormal difficulties which have never been witnessed. Unusual developments during the progress of the war, which brought upon the government grave responsibilities led to the decidedly unsettled state of affairs up to the close of the year. The necessity of the abnormal requirements of fuel, gasoline and lubricating oils for national service and the adequate production of crude oil to meet the demands of both export and domestic consumption has and is involving various problems yet to be solved. Toward the close of the year there were reports of a revival of a determination of the government of fixing prices for petroleum and by-products as well as commandeering crude supplies, regulation of refinery operations, etc. The extraordinary demand for war purposes resulting in an increased commandeering of vessels and particularly oil tank vessels led to a large encroachment upon the filling of the urgent requirements of private foreign concerns. The marked shortage of vessels to carry the huge supplies of oil to countries abroad is causing increased apprehension among leading oil interests. The situation of tin and cooperage as well as barrels has become acute and practically no spot supplies here and at outside points were available due to the continued heavy demand for such containers from various industries which resulted in a material decrease in export shipments of oil in tins, particularly to South American countries, where oil in such containers is principally used in the interior due to lack of tank storage for oil as well as for transporting such packages for consumption. The government here has found it essential to commandeer supplies of oil together with a large number of tank oil steamers. Refining interests and producers of crude have been using their utmost efforts devoting themselves patriotically to the task of meeting the heavy petroleum requirements of this country and its allies with expedition. Following the outbreak of the war, the Council of National Defense appointed a petroleum committee with A. C. Bedford, president of the Standard Oil Company of New Jersey as chairman and presidents of the leading oil organizations of the country as members who have handled the situation admirably.

The use of the internal combustion engine, motor trucks, farm tractors, marine launches and aeroplanes, also stationary engines which created an abnormally large demand for motor fuel and lubricants. It is pointed out that during the year 1918 there will be witnessed a marvelous development in the oil industry. The lack of vessels with which to transport the prospective huge volume of oil to meet the heavy demands of our country for war purposes as well as that of the Allies has been and is causing gerat concern among leading petroleum interests. With materials and labor speeded up, it is estimated by Chairman Hurley, that the production of ships in the United States will amount to 4,500,000 to 6,000,000 tons deadweight during the year 1918 and if the shipbuilding industry continues to operate on its present basis it may exceed an output of 6,000,000 tons. During the year 1917 America built 901,223 tons of merchant vessels and during the same period it is estimated that sinkings by submarines amounted to some 5,000,000 tons, which is reckoned as about twice the tonnage as was built here and abroad. Just now operations are hampered by lack of steel. The oil industry throughout the entire country has assured the government everything possible to help win the war quickly. Producers are clamoring for adequate transportation which the government has taken over and full control over vessels and railroads has been enacted. With the question of tank oil cars there can be no question of the ability of the oil industry to supply the needs of the government at all times as soon as this matter is adjusted.

Notwithstanding that crude oil in the United States for 1917 was a record breaker, reaching 341,800,000 barrels, exceeding the 1916 yield by 14 per cent., it was inadequate to the demand.

The severe cold weather during the closing week of the year created an acute scarcity of oil for consumption due to a shortage of tank oil cars, latter having been delayed in transit by heavy snow falls in the west and east, causing the blockade of freight rendering the situation deplorable. Lack of coal hindered the departures of vessels and the suffering among domestic consumers owing to a scarcity of kerosene for heating purposes and the difficulty in getting oil heaters due to the heavy demand for same, has never before been witnessed in the oil industry.

In some quarters the lack of oil is predicted, which will likely cause German submarines to cease operations sooner than is expected. It was the oil shortage and not a desire to comply with the conditions which America then sought to impose that led the German government to agree to a limitation of submarine warfare in April, 1916.

New oil firms established a record year, the capital investment reaching $840,219,100, is compared with $419,746,000 in 1916. The total petroleum refineries in the country is 359 with a daily capacity of 1,265,825 barrels. Of the refineries 335 were in active operation. There were in course of construction 118 plants of an estimated investment of $30,000,000 with a capacity of 110,000 barrels of crude oil a day.

It is estimated that the supply of crude above ground in the United States at the end of 1917 will amount to 107,000,000 barrels, about one-third of the production for the entire year. At this rate it is evident for the production and consumption, the entire reserve supply will be exhausted within less than two years. It will require the development to the maximum of every known supply of oil to carry out our war program with relation to our navy, etc. "We must get the oil now wherever we can get it and as fast as we can get it."

Export restrictions have resulted in a decrease in petroleum exports to certain neutral countries because the United States needs her own resources to prosecute the war.

The prices of certain grades of crude petroleum, and products as paid by the government and others at this time ranged from 6 and 6½ cents a gallon at New York for export for fuel oil while at Gulf ports for export four cents a gallon was paid. Some long-time contracts are in effect at lesser prices. For gasoline, high grade, 60 and 61 degrees, 24 cents, while lower grade 21 cents a gallon f. o. b. New York was quoted. Kerosene f. o. b. New York and gasoline for coastal patrol was quoted at 15 and 18½ cents a gallon respectively. The government has been paying a entative price of three cents a gallon for fuel oil at Port Arthur until a fair and equitable price can be determined upon by the Federal Trade Commission.

Aside from the fact that official export figures show a marked increase at the United States during the war period, covering the value more so than the quantity, some interesting figures are revealed noting interesting changes. Shipments of refined oil have been large as compared with crude oil shipments, while exports of fuel oil registered gains. The increase in exports of gasoline and other naphthas, together with gas oil shows a large expansion, while the illuminating oil suffered sharp declines.

Important factors which influenced upward revision in prices of illuminating oil in cases, involved the rise in values for crude oil at the wells, attributed to steady increases in laborer's wages and a scarcity of men due to the government conscriptions. Drilling materials and oil well supplies in some cases have doubled in cost, similar conditions affecting the refining industry. Another factor has been the steady increase in the cost of cooperage and particularly of tin containers. During the latter quarter of the year the situation became due to a decided scarcity of stocks resulting in no supplies of tin being available in the New York and all other outside markets. This resulted in the government commandeering the supply and taking over the control of the market, which however failed to relieve the acute scarcity of tin and resulted in a marked shrinkage of sales in both barrels and cases and tins. This business was principalyl diverted to oil tank vessels. Owing to the commandeering of oil tankers comprising nearly the entire fleet, private concerns abroad found it decidedly difficult to make purchases to meet their urgent requirements. The scarcity of vessels to load full cargoes of case oil culminated in practically suspending such charters toward the close of the year.

Prices on January 1 for illuminating oil in cases, cargo lots, opened up at 11.75 cents followed by another advance on January 1 and a further rise to 12.25. The next change was established on a higher level to 12.50 on March 7 and to 12.75 on March 12. A further appreciation established 13.25 c on July 19, followed by further uplifts to 14.25 and to 14.75 on August 1 and 6 respectively. The next rise was announced on September 20 to 15.50c and culminated with an advance to 16.50c a gallon on November 26, remaining unchanged up to the close of the year, showing a net gain of 4.75 a gallon for the year 1917.

FOR INVESTORS

Some of our most eminent bankers view the situation in the same light as those whom I have quoted, in this and in other issues. I note, for instance, in the year-end letter of the Mechanics and Metals Bank of New York, that while it says that it is right to encourage thrift and patriotic to suggest the wholesale transfer of the nation's energies away from the satisfaction of personal wants to the satisfaction of the wants of the nation, yet it is still true that "the nation needs business sability. Never before was it so necessary for us to have good business of a general description. Business curtailment that means unemployment and closed factories at this juncture would be most unfortunate. It would permit discouragement and pessimism to creep into the minds of the people." This is the kind of talk that we shall shortly hear everywhere. It sounds a note of patriotism instead of one of pessimism, and a note sadly needed at this juncture.

To sum it all up, I believe with Mr. Alvan Macauley, of Detroit, that we must "Speed up to win the war." Let us all try and do it, for, as he says, "The spirit wins."

With normal business as usual, with prodigious exports, with unexampled prices for crops, and with wages on the highest plane on record, all that we need to give a new atmosphere to Wall Street and financial circles generally is confidence in ourselves and in our ability to meet every emergency that may arise, during the stress of war.

B., Anna, Ill.: I am sorry that I am unable to answer questions about tax laws.

F., Dieterich, Ill.: Empire Tire & Rubber pfd. (par $100) is quoted at $25 bid and $40 asked. It does not appear to be paying dividends and is therefore not attractive, while the common is still less so.

M., Sterling, Colo.: American Telegraphone is not an active stock. Insiders are very optimistic. The company has needed capital. It seems to be making progress, but no report is available. The stock (par $10) is quoted at 50c bid and 60c asked.

D., Orlando, Fla.: For an investment Rock Island ref. 4's seem preferable to N. Y. C. or Penn stock. The chances are all against any repudiation of a war loan by a solvent government. Many holders of Russian bonds are evening up at present low prices.

W., Winnemucca, Nev.: A good process may not be so well managed by a corporation as to make it a commercial success. I have had no report of Intl. Cellulose Company, but it is clearly an undeveloped enterprise and its future uncertain. The stock is only a speculation.

H., Cleveland, Ohio: The success of Texas Textile Company in "manufacturing artificial silk out of cotton by a new process" is at least problematical. In fact, the proposition seems absurd. The price asked for the stock exceeds the market value of shares of many of the soundest dividend-paying corporations.

T., Cincinnati, Ohio: I have no room for detailed reports. I can only say that the Commonwealth Finance Corporation is a comparatively new concern which has not begun to pay dividends. Its future is by no means certain. The price asked for the stock would purchase preferred shares of the best dividend-paying corporations.

V., DeVere, Wis.: While Mohawk Mining and Inspiration are well-regarded copper stocks, it would be safer to buy the pfd. shares of leading railroad or industrial corporations. American Tel. & Tel. has become an inviting purchase since its decline. United Kingdom of Great Britain 5½ per cent. bonds are undoubtedly safe. Among the foreign bonds those of Great Britain and France are the most reliable. The bonds of well-established American corporations are on the bargain counter. Good real estate and farm mortgage bonds also are desirable.

M., Comer, Ga.: While Anaconda is one of the best coppers, a good industrial is always preferable to a mining proposition. In the long run, C. F. & I. common may be the best stock on your list. Owing to the taking over of the railroads by the Government B. & O. common has recovered a large part of its recent heavy decline. Anaconda pays $2 quarterly; C. F. & I. $3 a year, but earns several times that. B. & O. common has been paying 5 per cent., but the quarterly dividend next due was deferred because it had not been earned. There is at present no decided trend in values.

S., Brooklyn, N. Y.: In his proclamation announcing the taking over of the railroads by the Government, the President promised that the interests of the roads and their stockholders would be properly cared for. If this intention is fulfilled by act of Congress there will be a better day for the railroads and the value of their securities will be enhanced. B. R. T. has suffered from heavy forced liquidation and looks like a purchase now, though all public utilities are suffering from over-regulation, just as the railroads have been. The best on your list of securities at present are L. & N., S. P. 5's, St. P. 4½'s, and G. N. 5's. Corn Products pfd., and American Intl. Corp. look good and so do the best of the foreign government loans.

J.

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EDITORIAL

OIL, VITAL PRODUCT.

If the men of America and its money and munitions did not constitute a vital asset in the cause of the Allies, America would still be somewhat of a weakling. If we would not provide ships or steel we would still constitute a pillar of strength.

The reason is OIL.

America produces more oil than all the rest of the world. And ships, engines, autos and many other war factors are using oil as a motive force. Oil is needed as a lubricant for all the metals used in the prosecution of war. Its uses are so varied and so vital, indeed, that oil constitutes another of those commodities without which the war could not be won.

In 1916 the United States produced and marketed approximately 341,800,000 barrels of crude petroleum. This comprised about 75 per cent. of the entire world production.

Other countries follow: Russia, 16.03 per cent.; Mexico, 7.60 per cent.; Dutch East Indies, 2.90 per cent.; Roumania, 2.81 per cent.; India, 1.92 per cent. And less than 1 per cent. each, Galicia, Japan and Formosa, Peru, Germany, Trinidad, Argentina, Egypt, Canada and Italy.

With this list in hand, it is easy to see why American oil is so important a factor in the prosecution of the war. Russian fields, if they are being worked at all, probably are being worked for Germany's benefit. So are Roumanian fields.

Thus far, though prices have soared just as if there was a famine in oil, the American fields, including the Mexican, have sufficed to keep all the Allies fairly well supplied. Students of war problems declare that America's oil supply will be practically as valuable in the last analysis as American men, money and munitions.

OIL INVESTMENTS.

A contemporaneous authority on oil and oil production, writing of the Kentucky oil fields, says:

If it were in the power of the writer to vividly portray in a forceful manner the stupendous amount of wealth in the form of oil resting in the bowels of the earth in Kentucky—if he could make the reader realize the fabulous wealth which has been resting there for ages only because of the lack of capital for its development and the financial helplessness of the native owners—if it were possible to draw a pen picture that would really represent the wondrous wealth that is now being and will be taken out of this great, mountainous area, so richly impregnated with oil—if it were possible to so thoroughly enthuse, interest and impress the reader that he would take a trip to these great oil fields in the mountains of Kentucky, and see for himself, and with his own eyes the constant streams of oil that are being pumped from the treasure chest of Mother Earth in these Virgin oil fields—then that staid, conservative old business man who knows a good investment when he sees one, who has learned his wisdom by bitter experience, will open his eyes at this simple and easy way of making money, at the stability and durability of the investment and appreciate the difference between an investment of the stock of a good oil company and the "Safe" city investments he has been more acquainted with, especially if he has been the owner of bonds in some of the railroads, street car lines, dry goods firms or manufacturing plants that have defaulted in their interest and were possibly swept away, or if he was a real estate owner, having a title to some of the monuments to wrecked fortunes, lining both sides of Sixth Avenue from Fourteenth to Twenty-third Streets, as well as many other city streets. Have you ever heard of an oil failure in the case of a company that was honestly managed and had producing wells?

MORE SUPPLIES NECESSARY.

The Government should release more steel for oil well supplies in order to increase the production of petroleum, is the opinion of H. B. Walker, a supply man of Lancaster, Ohio, who was formerly an officer in the Frick & Lindsay Company, and who is well known personally to the oil fraternity in Kentucky.

Mr. Walker, in a recent communication to the Federal Fuel Administrator, points out some forceful views regarding this subject and his letter follows:

Lancaster, O., 1918.

Dr. H. A. Garfield, Federal Fuel Administrator, Washington, D. C.

Dear Sir: I have noticed continued reports in the newspapers that the Government was considering the question of taking over control of the oil fields of the country with a view to conserving and increasing the production of oil.

At the risk that any discussion of this matter I may be able to make is superfluous, and consequently merely a waste of your time, I nevertheless desire to submit what information I have on the subject. I have been in the oil-well supply business for over 20 years and in this way in rather close touch with field conditions over a large part of the country.

The situation in the oil country today is such that no increase in the price of crude can materially effect the amount of operating done or greatly increase the production (except by the chance striking of very large wells) unless the available supplies of pipe (including casing, tubing, line pipe, etc.), wire rope and a few other important lines of goods, which are now very scarce, can be increased. For the past year and more these supplies in particular have been very scarce and operators have not been able to get more than limited amounts at any price. The Government has recently influenced lower prices on most of this material, but this has not relieved the oil country in the least, for the reason that the supply available from the mills has decreased at the same time; not only so, but there is good reason to believe that some of the mills have actually curtailed shipments at the new prices in expectation that the shortages would force more favorable terms to themselves.

From this it will be seen that no matter how high the price of crude oil goes and no matter how low the price of pipe and other supplies is made, neither factor will relieve the situation unless the amount of supplies available is increased or such as are available are sent to those sections of the country where the largest assured production is possible from new wells.

I am satisfied from extensive personal knowledge of the oil country that if supplies were available the amount of new drilling would be immediately enormously increased, as the present prices of crude are everywhere such as to attract ample capital for the work. It is true that extensive increase in drilling would be somewhat hampered by lack of skilled labor. This condition will doubtless grow worse as the draft takes more men for the army; but this has not yet become a really serious factor in the operation of the oil fields generally.

The only other alternative will undoubtedly be to control the distribution of the refined products with a view to cutting out unnecessary use. In other words, the oil country has everywhere reached an inpasse from which only the Government can relieve it by increasing the amount of available supplies necessary for new work and by directing the distribution of these supplies as far as possible to points where they will do the most good.

The charge that oil-country operators are holding back production of their wells for the sake of getting higher prices is, I consider, a mistake. It is universally known in the oil country that to retard the natural production of an oil well invariably results in injuring the well and permanently reducing its capacity. This is so well and so generally understood that I have never known operators to curtail their production on account of price, even at times when the market price of oil was actually below the cost of pumping. In other words, the Government can be assured that the only curtailment of possible production taking place today is that resulting from reduced drilling, which is solely and entirely due to an absolutely shortage of necessary supplies, particularly pipe and wire rope, without which more work cannot be done.

I will cheerfully furnish you with any further information that I may have, even to the extent of visiting Washington at my own expense, if I can be of service.

Yours very truly,

H. B. WALKER.

FULL SPEED FOR OIL OPERATIONS.

NEW YORK—If it were not an official announcement of the geological survey at Washington, which tells of the amount of petroleum produced and marketed in the United States in 1917 the figures probably would be regarded as an unreasonable exaggeration.

But the officers of the survey assert the aggregate amount of petroleum produced and marketed in the United States last year was 341,800,000 barrels.

These figures fairly well supplement other reports which tell of the stupendous production of copper in the United States in 1917, also of steel and of pig iron, as well as of coal. They are figures which almost stagger the imagination.

Expert authorities have estimated that at the present rate of production about 17 years will pass before the exhaustion of our petroleum supplies. However, this is a matter of pure conjecture.

Great authorities in the oil industry frankly say no one knows how long the petroleum supply of the United States or of the world will last. It may be exhausted within a quarter of a century or, through the discovery or operation of new oil fields and highly perfected methods of treating the oil and transporting it, the supply may last many years longer than a quarter of a century. The leaders in the oil industry are going on as though they had a right to expect that there would be abundant supplies of oil much longer than 17 years hence.

How wonderfully our production and marketing of petroleum have increased in 20 years is shown by figures which report the production and marketing in 1897. In that year 60,500,000 barrels, approximately, of petroleum were produced and marketed in the United States. Each barrel contained 42 gallons.

Twenty years after the inauguration of William McKinley as President of the United States the production and sales of petroleum were five and one-half times greater than the production of petroleum in the United States, which stated in barrels of 42 gallons amounted to a little under 300,000,000. Therefore there was an increase in 1917 of nearly 43,000,000 barrels.

Of course, this increase in the production of petroleum is partly explained by the demands which have been occasioned by the European war. Not wholly, however, on that account is the increased production to be explained.

The uses to which petroleum in its various refined forms have been put have greatly increased; as, for instance, the farmers of the West are using each year more and more tractors which are operated by the internal combustion of gasoline, and the presumption is strong that there is to be speedily a great increase in the use of these tractors. For it has been determined that a tractor which costs about $900 and which can be easily operated by a lad or young man will do the work of four horses, and at a much less cost of gasoline than would be entailed by feeding the horses.

As recently as 1903 there was sent to England quite the largest consignment of gasoline that had ever been exported from the United States. The estimate was that this gasoline would be sufficient to meet a nine months' demand in England. To-day it would not be sufficient to meet a nine hours' demand.

Another greatly extended utilization of petroleum, one of which the public has little or no appreciation, is its distillation into oil which furnishes a highly satisfactory lubricant. Expert authority estimates approximately one tenth of the petroleum produced in the United States is now converted by distillation into lubricating oil.

If this estimate be substantially accurate then the petroleum produced in 1917 in the United States will furnish 1,500,000,000 gallons of lubricating oil. Probably no other liquid excepting water is to be found in this amount. Still, when it is considered that the freight cars of the United States alone employ considerably in excess of 10,000,000 bearings and journals—to say nothing of machinery—which are lubricated with oil, then it is more easily understood why so stupendous an amount as 1,500,000,000 gallons of lubricating oil is now used in the United States.

The industry is to be maintained at top speed at least as long as the war continues, for the producers are ready to take great risks in exploiting oil fields since the prices now obtained for fuel oil are so high as to justify the taking of a risk of this kind. One of the great oil operators of the country said recently that the production of new oil is after all a great gamble. Those who are disappointed lose much money; those whose shafts reach rich-bearing properties gain great profits, and will continue to do that while the war lasts, nor is there any doubt that after the war the demand for petroleum will be as great as has been the case in the past year.

CRUDE OIL QUOTATIONS

Dates of Price Changes of Important Crudes

No changes in the price of crude oil in any of the producing fields of the country took place last week.

Pennsylvania crude is now $3.75 per barrel, the amount of the latest advance, December 4, having been 25 cents a barrel.

Corning grade advanced 20 cents at the same time and is quoted now at $2.80. Kentucky crude, known as Somerset, also advanced, the extent of its advance being 15 cents, bringing its price at present to $2.55. Ragland was marked up 10 cents to $1.20.

Wooster, North and South Lime and other eastern grades are unchanged, no advance having been made in their quotations since last August.

Kansas and Oklahoma, aside from Healdton, is quoted at $2.00. It has made no advance since last August, when it was marked up 30 cents a barrel.

CRUDE PRICES.

Quoted by the predominating pipe line company in each field. All prices are at the well in barrels of 42 gallons, Dec. 3.

Eastern Fields.

Prices.		Jan. 1, 1917	Jan. 1, 1916
Pennsylvania	$3.75	$2.85	$2.25
Cabell	2.58	2.22	1.78
Wooster, O.	2.38	1.80	1.50
Corning	2.80	2.25	1.75
North Lima	2.08	1.58	1.33
South Lima	2.08	1.58	1.33
Indiana	1.98	1.43	1.18
Princeton	2.12	1.62	1.47
Somerset	2.55	2.05	1.63
Ragland	1.20	.95	.75
Illinois	2.12	1.62	1.47
Plymouth	2.13	1.53	1.33
Canadian Petrolia	2.48	1.98	1.73

Mid-Continent.

Kansas and Oklahoma, all grades excepting Healdton	$2.00	$1.40	$1.20
Healdton	1.20	.75	.55

Texas Fields. North Texas.

		Jan. 1, 1917	Jan. 1, 1916
Electra	$2.00	$1.47	$1.20
Henrietta	2.00	1.40	1.20
Corsicana light	2.00	1.40	1.20
Corsicana crude	1.05	.75	.60
Strawn	2.00	1.40	1.05
Moran	2.00	1.40	1.05

Gulf Coast.

Spindletop	1.05	.90	.50-.35
Goose Creek	1.00	....	....
Sour Lake	1.00	.90	.50-.60
Humble	1.00	.90	.50-.60
Batson	1.00	.90	.50
Saratoga	1.00	.90	.50
Dayton	1.00	.80	.45

Louisiana Fields

Caddo, above 38 deg.	$2.00	$1.40	$1.40
Desoto, about 38 deg.	1.90	1.30	1.10
Caddo, 35 deg.	1.90	1.30	1.10
Caddo, 32 deg.	1.85	1.25	1.05
Caddo, crude	1.00	.85	.80
Crichton	1.00	1.10	.85

California.

Effective June 28, 1917, Standard Oil Company offers the following prices for crude oil at the well:

San Joaquin Valley Fields.
(Kern River, Midway-Sunset, McKittrick, Lost Hills-Belridge, Coalinga.)

Per bbl.

14 deg. to and including 17.9 deg..$0.98

18 deg. to and including 18.9 deg.. .99
and for each increase in gravity of one (1) full deg. above 18.0 deg. gravity, to and inclusive of 24.9 deg. gravity, (1) cent per barrel additional.

25 deg. to and including 25.9 deg..$1.07
and for each increase in gravity of one (1) full deg. above 25.0 deg. gravity, up to and inclusive of 36.9 deg. gravity, two (2) cents per barrel additional.

37 deg. to and including 37.9 deg..$1.32
and for each increase in gravity of one (1) full deg. above 37.0 deg. gravity, three (3) cents per barrel additional

Ventura County.

25 deg. to and including 25.9 deg..$1.07
and for each increase in gravity of one (1) full deg. above 25.0 deg. gravity, up to and inclusive of 36.9 deg. gracity, two (2) cents per barrel additional.

37 deg. to and including 37.9 deg..$1.32
and for each increase in gravity of one (1) full deg. above 37.0 deg. gravity, three (3) cents per barrel additional.

Whittier-Fullerton and Santa Maria Fields.

16 deg. to and including 17.9 deg..$0.98

18 deg. to and including 18.9 deg.. .99
and for each increase in gravity of one (1) full deg. above 18.0 deg. gravity up to and inclusive of 24.9 deg. gravity, one (1) per barrel additional.

25 deg. to and including 25.9 deg..$1.07
and for each increase in gravity of one (1) full deg. above 25.0 deg. gravity, up to and inclusive of 36.9 deg. gravity, two (2) cents per barrel additional.

37 deg. to and including 37.9 deg..$1.32
and for each increase in gravity of one (1) full deg. above 37.0 deg. gravity, three (3) cents cent per barrel additional.

COUNTRY-WIDE TANK WAGON MARKETS

Standard Oil Company's service station quotations on gasoline and tank wagon prices for kerosene in cents per gallon.

	Gasoline Dec. 17	Dec. 10	*Oil* Dec. 17	Dec. 10
EASTERN POINTS.				
New York	26	26	10	9
Boston	27	27	11	10
Philadelphia	27	27	12	12
Buffalo	25	25	11	10
Pittsburgh	27	27	12	12
Cleveland	25	25	..	..
MIDDLE WEST.				
Chicago	21	21	9	9
St. Louis	20.4	20.4	9.9	9.9
East St. Louis	20.5	20.5	10	10
Omaha, Neb.	22	22	10.5	10.5
Kansas City	20.3	20.3	9.3	9.3
Peoria, Ill.	21	21	11	11
Detroit	20.5	20.5	11	11
Indianapolis	21	21	11	11
Minneapolis	22	22	11	11
La Crosse, Wis.	21.9	22	11.4	11.4
Yankton, S. Dakota	23.3	23.3	12.3	12.3
Sioux City, Iowa	20.3	20.3	10.5	10.5
Oklahoma City, Okla.	25	24	9	9
SOUTHERN POINTS.				
Atlanta, Ga.	26	26	12	12
Fort Worth, Texas	26	26	14	14
New Orleans, La.	23.5	23.5	10.5	10.5
Nashville, Tenn.	23	23	12	12
Memphis, Tenn.	20.5	20.5	11	11
FAR WEST.				
Denver	26	26	12.5	12.5
San Francisco	20	20	9	9

NEWS FROM WASHINGTON

WASHINGTON, D. C.—Joseph M. Guffey, petroleum administrator for the war industries, has resigned.

The announcement has been made officially by the Petroleum War Service Committee. Mr. Guffey has been handling all questions in connection with the purchase and shipment of petroleum products for the allied governments.

It is stated that for nine months all petroleum requirements of the Allies have been taken care of without delay.

* * * *

A. C. Bedford, chairman of the Petroleum War Service Committee, stated, after a conference of his committee with Fuel Administrator Garfield and M. L. Requa, chief of the oil division for the fuel administration, that this group of men representing the petroleum industry will continue to co-operate and advise the fuel administration. Mr. Bedford pointed out that the appointment of Mr. Requa is not because of any new conditions, but that Dr. Garfield, as fuel administrator, has just reached the question of fuel oil and decided that a special department head was necessary. Mr. Requa asked that the Petroleum War Service Committee should continue its activities, so that there might be no interruption in the continuous flow of petroleum products to the Allies or for domestic uses in the United States.

* * * *

That all oil-burning industries of the southeastern part of the United States are threatened with a loss of supplies which will cause them to shut down has been brought to the attention of Joseph M. Guffey, oil administrator of the Council of National Defense.

* * * *

Representative Drake, of Lakeland, Fla., has protested in behalf of many industrial institutions in his district. Mr. Drake points out the removal of seven large tanks from the Gulf Oil Co.'s fleet which makes port in all the harbors on the southeast Atlantic and Gulf coasts and withdraws from service 54 per cent. of the carrying capacity of the oil company's fleet, on which the entire Southeast is dependent for petroleum supplies. These supplies are brought in mostly from Mexico.

* * * *

These tankers were commandeered by the Government to supply the fuel oil needs of Great Britain in furtherance of the agreement entered into between representatives of the petroleum industry, the Shipping Board, the Council of National Defense, the War Industries Board, and the British War Mission.

* * * *

President Wilson discussed oil land leasing legislation for more than three hours yesterday with Representative Ferris of Oklahoma, chairman of the House Committee on Public Lands.

* * * *

Following the conference at the White House, Mr. Ferris said the President favored one-eighth royalty on all oil taken from withdrawn lands, with limitations on rights to future discovery.

* * * *

At the conference it developed that Secretary Lane of the Department of the Interior, Secretary Daniels of the Navy Department, and Attorney General Gregory are not agreed on the terms of the legislation. They are now in conference and it is expected soon a proposal will be put to the test in the House.

* * * *

In the meantime the Public Lands Committee of the House is making no move, the meeting which was to have been held this week, with the expectation of reporting out a bill, having been postponed. The House Committee has before it the Walsh measure, passed last week by the Senate and referred to the House Committee, which doubtless will report the Ferris bill as a substitute for the Senate measure, with some additional amendments.

* * * *

A. C. Bedford, Chairman of the Petroleum War Service Committee, stated that the members of his committee had had a meeting in Washington with Dr. Garfield and Mr. Requa, chief of the oil division of the fuel administration, and he desired to express the gratification of the committee that Dr. Garfield and Mr. Requa desired to co-operate with the petroleum industry as represented by the committee, as shown in the following statement to the press prepared by Dr. Garfield and given out by the fuel administration at the conclusion of the conference, namely:

* * * *

"A meeting was held this morning at the office of the United States Fuel Administrator, at which the Petroleum War Service Committee met in conference with Dr. Garfield and M. L. Requa, the recently appointed head of the oil division of the fuel administration.

* * * *

"Both Dr. Garfield and Mr. Requa stated it was the desire of the fuel administration that the men representing the petroleum industry should co-operate fully with and give to the fuel administration the benefit of their knowledge, to the end that whatever control is to be exercised shall be only after full knowledge of all phases of the problem and of an intelligent and constructive character.

* * * *

"It was further stated that the appointment of Mr. Requa at this time was not because of any new conditions, but that fuel oil having been included among the duties assigned to Dr. Garfield by the President the subject had been reached in the natural course of events and that a departmental head in the person of Mr. Requa had been appointed.

* * * *

"It was indicated that it was not the intention of the fuel administration to take up at present the question of price fixing, but that a general survey of the whole industry would be made in co-operation with the various branches thereof, with a view to determining what action the Government might take to assist in supplying more effectively the necessary fuel for war purposes and to provide and arrange for the supplies of fuel oil necessary to the various industries at home.

"It is also the intention of the administration to study the situation, with a view to co-ordinating by voluntary agreement the manufacture and distribution of petroleum products and to stimulate the production of crude oil, so that all needs shall be fully met at fair and just prices.

"Mr. Requa stated that it was his desire that the Petroleum War Service Committee should for the present continue its activities without change, to the end that there should not be any interruption in the continuous flow of petroleum products to the Allies or for our domestic uses."

In accordance with the above request that the Petroleum War Service Committee should continue to represent the industry and perform the functions previously committed to it, Mr. Bedford stated that the committee had agreed to continue to act and render every service possible.

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Uncle Joe Hervey is back from Detroit.

* * * *

Curley Phillips is in Boston for a brief stay.

* * * *

Buy War Saving Stamps for the kids and mother.

* * * *

Sam Bell is a busy man this week arranging for the big banquet.

* * * *

Kelly Kash, of the Mammoth Oil Corporation, left Thursday to join his family in Miami, Fla. He was accompanied by Mrs. Lena Wallace, the Secretary of the Mammoth Company.

MYSTERIES OF GEOLOGY

Thousands of oil wells in Louisiana and Texas, and in other flat regions, are driven on the summits and slopes of salt domes. Many readers have probably never heard of salt domes, and, indeed, they are one of the mysteries of geology; yet they are of immense practical importance, and a method of quickly and surely locating hidden domes might go far toward saving the world from a dearth of natural oil and gas.

Mr. Eugene W. Shaw, of the United States Geological Survey, [illegible] the possibility of using the varying intensity of gravity for detecting [illegible] of the precious domes when their presence is not evident on the surface. This method depends upon the fact that a deposit of relatively heavy material at no great depth under the surface causes a local increase in the intensity of the force of gravity, which can be measured by the swing of a pendulum.

The process is a delicate one, but as Mr. Shaw says: "The time will no doubt, soon come when it will be profitable to spend a great deal of money searching for salt domes, for they seem to be much more likely to contain oil than the surrounding country."

A salt dome, such as those found in the flat regions of Louisiana and Texas, is usually of nearly equal length and breadth, rarely exceeding two or three miles in its lateral dimensions, or falling below a half-mile. Some domes, Mr. Shaw says, are marked by knolls from two or three to [illegible] feet in height, while others "that are very high structurally have little or no effect on the surface."

The substance of a salt dome comprises, in addition to salt, [illegible] gypsum, sulphur, compressed clay, and "possibly igneous rock." [illegible], if not invariably, the dome contains valuable pools of oil and gas. Some domes appear to lack these pools, but continued investigation generally results in their discovery.

From what has been said, it is evident that by far the greater part of the body dome does lie beneath the surface, descending to a great depth, while the projecting portion is relatively small.

Other suggested methods of origin relate to the possibility of the domes having been formed by buckling and flowage of beds of rock salt at a great depth, or by the results of "isostatic adjustment," which means an adjustment of equilibrium among the substances and strata of varying density in the crust of the earth.

This does not afford any clear idea of the actual method of formation of the domes, or why they should be so largely composed of salt, and [illegible] oil pools and gas. The dome form, in itself, of course, helps to [illegible] the presence of oil and gas, since they tend to rise toward the summit of a formation, provided that they exist in it to begin with.

The opinion is very strongly held by many that the chief origin of petroleum is from the decomposition of marine organisms, both animal and vegetable. If the salt in the domes was originally accumulated in an ancient sea filled with organisms, then we have a conceivable explanation of the coexistence of oil and gas in the domes.

Whatever their origin may be, these strange formations in the earth's crust are of great practical interest, and but for their existence the world's supply of oil and gas would have been considerably less. They show how very slight is our knowledge of the treasures of power stored up in the globe, and suggest that, as they were unknown to us a generation ago, something yet more valuable may be discovered during the generation yet to come.

OIL STOCK QUOTATIONS

Standard Oil Subsidiaries

	Par	Bid	Ask
Anglo-American	£1	[illegible]	[illegible]
Atlantic Refining	$100	[illegible]	[illegible]
Borne-Scrymser	100	[illegible]	[illegible]
Buckeye P. L.	50	[illegible]	[illegible]
Chesebrough Mfg.	100	[illegible]	[illegible]
Colonial Oil	100	10	[illegible]
Continental Oil	100	[illegible]	[illegible]
Crescent P. L.	50	[illegible]	[illegible]
Cumberland P. L.	100	[illegible]	[illegible]
Eureka P. L.	100	200	[illegible]
Galena-Signal Oil	100	[illegible]	[illegible]
Galena-Signal Oil pf	100	120	[illegible]
Illinois P. L.	100	150	[illegible]
Indiana P. L.	50	100	[illegible]
National Transit	12 [illegible]	[illegible]	[illegible]
New York Transit	100	180	[illegible]
Northern P. L.	100	100	[illegible]
Ohio Oil	25	330	[illegible]
Prairie O. & G.	100	450	[illegible]
Prairie P. L.	100	250	[illegible]
Solar Refining	100	200	[illegible]
Southern P. L.	100	175	[illegible]
South Penn Oil	100	285	[illegible]
So West Pa. P. L.	100	[illegible]	[illegible]
Standard Oil of California	100	232	[illegible]
Standard Oil of Indiana	100	635	[illegible]
Standard Oil of Kansas	100	450	[illegible]
Standard Oil of Kentucky	100	300	[illegible]
Standard Oil of Nebraska	100	[illegible]	[illegible]
Standard Oil of New Jersey	100	547	[illegible]
Standard Oil of New York	100	268	[illegible]
Standard Oil of Ohio	10	420	[illegible]
Swan & Finch	100	100	105
Union Tank Line	100	84	87
Vacuum Oil	100	350	300
Washington Oil	10	27	32

Other Oil Stocks

	Bid	Ask
International Petroleum	13	13½
Pierce Oil	3¾	10¼
Atlantic Petroleum	3¼	3¾
Barnett Oil & Gas	1	1 1-16
Boston & Wyoming	23	25
Cosden Co.	7	7¼
do pf	3½	4
Elk Basin	6	6½
Federal Oil	2½	2¾
Glen Rock	3¼	3¾
Houston Oil	48¼	[illegible]
Knickerbocker Wyoming	....	2
do pf	....	8
Merritt Annex	4	5
Merritt Oil	21	22
Met. Petroleum	½	[illegible]-16
Midwest Oil	113	116
do pf	1 5-16	1 7-16
Midwest Refining	105	107
Northwest Oil	56	60
Oklahoma Oil	4	[illegible]
do Prod. & Refg.	6⅞	7⅛
Omar Oil	30	35
Okmulgee Oil	2	2¼
Sapulpa Oil & Refg.	8	8⅛
Sequoyah Oil	⅝	[illegible]-16
Sinclair Gulf	16	18
do Bonds	....	90
Tuxpam Oil	5	7
Victoria Oil	3¾	4
Wayland Oil & Gas	2½	3
Wyoming Oil	1¼	1⅛

OIL MEN PRESENT VIEWS

The Kentucky Oil Men's Association several days ago delegated Mr. P. J. White to represent their interests before the War Excess Tax Committee, incidentally to the Treasury Department, and as a result the following statement and brief was prepared and presented:

Excess Profits Tax Advisory Committee, Treasury Department,
Washington, D. C.

Gentlemen: Pursuant to a request by the Commissioner of Internal Revenue, a conference of delegates from States of Washington, Montana, Idaho, California, Nevada, Colorado, Wyoming, Arizona, Missouri, Kansas, Texas, Oklahoma, Arkansas, Kentucky, and scattering representatives from a number of Eastern States, representing the oil, coal, lead, zinc, copper and precious metal industries, begs to submit the following suggestion with respect to the interpretation, application or administration of the excess profits provisions of the new revenue law, and respectfully urges that in arriving at your recommendations they be given consideration:

1. That mineral, oil and gas leases are tangible property and should be so construed.

2. That individuals engaged in prospecting for oil or minerals should be considered as "engaged in business having no invested capital," or "merely nominal capital."

3. That surplus earned during the year should be construed as invested capital from the time at which such surplus is actually employed in the business.

4. That under Section 210 of the act the Commissioner has power to determine the proportion of income of an oil or mining business which shall be considered as excess profits, without requiring each taxpayer to determine his or its invested capital.

5. That the proceeds from the sale by a corporation of its own capital stock to raise money for development and operation expenses should not be held at the income.

5. That the proceeds from the sale by a corporation of its own capital stock to raise money for development and operation expenses should not be held at the income.

Proposition 1—That mining, oil and gas leases should be construed as tangible property.

Oil, gas and mineral leases within a defined mineral field, or near to such field, have an actual cash market value.

An oil and gas or mineral lease is easily distinguished from other classes of intangible property defined in the act, such as good will, trade-marks, franchises, etc., and does not belong in the same classification as intangible property defined in the language of the act itself and should not be given the same precarious status as good will and other forms of intangible property upon which the most narrow limitations of the new law are now imposed.

In defining intangible property the Treasury Department should not extend the act and should not include any property not specifically included in the language of the act itself and should not by construction extend either the meaning or the language of the act and should not include mineral leases as intangible property because they are not so designated in the act.

Proposition 2—That individuals engaged in prospecting for oil or minerals should be considered as "engaged in business having no invested capital," or "merely nominal capital."

In connection with the above suggestion, we call attention to the very brief statement attached hereto, showing the reasons why the construction which we ask should be placed upon the excess profits tax law.

Respectfully submitted,
JOHN J. SHEA,
EMMETT D. DOYLE,
RAVENEL MACBETH,
A. SCOTT THOMPSON,
GEORGE H. DERN.

[illegible] oil and mining industry depends for its progress and future existence [illegible] constant discovery of new deposits. The hazards of the prospector are [illegible] the capital employed is very small and if the profits on an occasional find or discovery are to be taxed at practically 60 per cent., the prospector will be discouraged from his efforts and the progress of the industries which depend upon him will be dangerously impeded. The continual supply of oil, gas and many minerals depends in a large measure upon the activity of the prospector. His rewards should not be subject to the heavy graduated rates of the tax which are [illegible] to apply to income from capital and not to profits from personal efforts. We [illegible] that public assurance should be given to this class of taxpayers by formal [illegible] of the Treasury Department, that the profits of perhaps a lifetime of [illegible] effort will not be taken in major part by this tax. We believe [illegible] to the welfare of the industries that the apprehension which now [illegible] prospectors be relieved by prompt public announcement of a ruling that [illegible] rate of 8 per cent. will apply to them.

Proposition 3—That surplus earned during the year should be construed as [illegible] capital from the time at which such surplus is actually employed in the business.

[illegible] provides that there may be included as invested capital "paid in or earned surplus and undivided profits used or employed in the business, exclusive of [illegible] profits earned during the taxable year." The provision includes [illegible] undivided profits. It excludes only undivided profits during the taxable year. The omission of the word "surplus" from the exclusion is significant. It indicates an intent to exclude only so much of the year's earnings as are [illegible] for distribution as dividends and not that part thereof which is intended to be distributed as dividends and not that part thereof which is intended to be used and is used as additional capital in the business. To withold any credit for capital so actually invested until the following year is unjust and not intended by the plain language of the statute.

Proposition 4—That under Section 210 of the act the Commissioner has power to determine the proportion of income of an oil or mining business which shall be considered as excess profits without requiring each taxpayer to determine his or its invested capital.

Under Section 210 the Secretary of the Treasury has power to determine the proportion between the deduction and the net income of any trade or business. This proportion should be carefully and equitably determined with respect to the gas, oil and several mining businesses in order that the many taxpayers who can not compute invested capital for the pre-war period may have just measure of the tax. Such determination can be made applicable to a computation of the successive graduated rates of the tax in cases where the invested capital for the taxable year is not capable of ascertainment.

Proposition 5. That the proceeds from the sale of a corporation of its own capital stock, whether original issue or capital stock, should not be held to be income.

It has come to our attention that the Commissioner of Internal Revenue has held in a recent ruling that proceeds from the sale of treasury stock are taxable income. It is a custom in the organization of mining corporations that the owner of the mining property transfers the property to the corporation in exchange for its entire authorized capital stock, thereafter "donating" to the treasury of the company a part of such stock to be sold in order to raise working capital.

The ruling we refer to holds that the amount received by the corporation from the sale of such treasury stock is income to it. Thus a corporation may be assessed for a large excess profits tax before it has commenced business, a proposition so foreign to the intent of the law that to state it is sufficient to show its untenability.

We protest that a ruling of this character is so unjust that an express statement should be made to the Treasury Department that such proceeds are not income or profits taxable under the excess profits tax law or the income tax law.

MID-WEST FIELD

TULSA, Okla.—The year 1917 in the Kansas, Oklahoma and Arkansas fields saw a net decline in the number of wells completed of 1,184 from the record of 1916, and with it a decline in new daily production of 82,282 barrels, an increase in dry holes of 372, and an increase in gas wells of 86.

The decline in production cannot be blamed on Kansas because that State, thanks to the discovery of the Towanda gusher pool, in Butler County, closed the year with a better record of new daily production than it did in 1916, by 75,143 barrels.

On the other hand, Oklahoma dropped from 518,888 barrels in 1916, to 361,643 barrels in 1917, a falling off in new production of 157,425 barrels, which, as bad as it may look, is nothing like the drop from 1915 to 1916, when Oklahoma's new production declined from 1,034,700 barrels to 518,888 barrels, caused by the great falling off in new production in the Cushing field, which had passed its zenith.

Arkansas, which started as though it would be at least a gas producing state worth reckoning with, fell off and in the closing months of 1917 little activity was being shown there, and not a completion of value was reported in the last months of the year.

A very important feature of the year just closed was the advance in the price of Mid-Continent oil to $2.00 for the Kansas and Oklahoma grade outside of Healdton, and $1.20 for Healdton. The year 1917 opened with the market for Kansas-Oklahoma oil at $1.40 and Healdton 75 cents. The market was given several advances throughout the year until it reached the present price which is the highest the Mid-Continent has yet experienced, but which the ever-hopeful producer expects to see changed to higher figures this year.

Kansas in 1917 completed 3,169 wells; with new production of 325,410 barrels daily; 559 dry holes and 174 gas wells. This was a falling off of 168 in wells completed, a gain of 75,143 barrels in new production, an increase in dry holes amounting to 109 and 47 more gas wells. Montgomery county's new production fell off over half. Chautauqua also took a severe slump from 9,815 barrels to 5,738 barrels. Allen County dropped from 3,713 barrels to 2,614 barrels. Wilson increased its new production from 675 barrels to 1,587 barrels. The Miami-Franklin district dropped from 6,820 barrels to 6,711 barrels. The wildcat sections had a good year and the new production from those sections increased from 553 barrels to 3,869 barrels. But it was Butler that showed the big gain, the amount of new daily production coming from that county in 1916, 215,102 barrels being increased to 294,830 barrels daily by the work done in the year just closed.

In the month of June the Towanda pool in Butler County produced the first of a series of gusher wells on the Williams, Orban and Dempsey farms in section 11-26-4 and on the Dillenbeck farm in section 35-25-4. These wells came in at from 2,000 to 3,000 barrels per day and were followed by others in the months succeeding of 5,000 and 10,000 barrels and one as high as 20,000 barrels a day. One of the gushers completed in September, the Gypsy Oil Co.'s No. 5 on the Shumway farm in section 11-26-4, has been producing 13,000 barrels of oil a day ever since its completion, but most of the big wells settled down to a much lower producing basis. September was Butler County's best month for new production, the figures for that month ascending to the 58,000-barrel mark.

The year, in fact the last six months of the year, has seen the partial development of the western end of Greenwood County, where in August, the Great Southern Oil Co. completed a 400-barrel well on the Hull farm in section 2-26-8. Since that time operations in Greenwood County have increased 100 per cent., but the development has not yet reached a point where the county may be definitely placed as an oil producing center. None of the other counties in which the wildcatter has been at work has produced anything which excited any more than passing interest. The amount of new work in Butler County at the close of the year was tremendous and only cold weather retarded even more "prospecting" in spots not heretofore touched by the drill.

Oklahoma's falling off in new production was the natural one that occurs in every oil region where new pools are not opened to offset the decline that inevitably follows with the passing of time. The year 1917 witnessed the further opening of Kay County, where the new production increased 300 per cent. over the showing of the year before. The deep sand in the Blackwell pool in Kay County was a development of the year just closing and just at a time when operators were becoming discouraged because of the length of time it took to drill a deep well, together with the enormous cost of such drilling, a "shallow" sand at 1,500 feet was uncovered at Blackwell which gave new impetus to operations, as the shallow sand contained oil in large quantities and it cost only about a quarter as much to drill to it as to the deeper levels, with the advantage that if the shallow sand was missed, deeper drilling was reasonably certain of finding production in the lower stratum. Not one, but two, of these shallower sands were discovered in that region in the course of the last six months of the year.

The Osage district in 1917 made a showing over 100 per cent. better than it did in the year 1916. Cleveland, by a number of important extensions, increased its new production over 200 per cent. and the wildcat districts showed an increase, but, on the other hand, there was a very marked decline in new production in the Cushing district and a falling off of half in Healdton and more or less in other districts.

The figures show new production of 14,034 barrels in the Cherokee deep sand country, as compared with 10,784 barrels in 1916 and 11,809 barrels in the Cherokee shallow sand region, as compared with 15,812 barrels in 1916. The other districts show the following changes: Osage, 1917, 57,161 barrels; 1916, 29,475 barrels; Cleveland, 1917, 20,753 barrels; 1916, 6,018 barrels; Creek nation, 1917, 138,020 barrels; 1916, 150,600 barrels; Cushing-Shamrock, 1917, 26,476 barrels; 1916, 210,348 barrels; Kay County, 1917, 31,310 barrels; 1916, 8,068 barrels; Healdton, 1917, 41,822 barrels; 1916, 80,020 barrels.

The Billings and the Garber districts in Noble and Garfield Counties, respectively, were taken out of the wildcat list in the mid-year and showed for the last six months of 1917 new production of 13,520 barrels a day. The Humphreys Petroleum Co. in mid-summer completed an 800-barrel well on the Neil farm in the Billings district that attracted wide attention to that section. And later in the year the discovery of a deeper sand on the Hotson farm at Garber, which produced wells that started off better than 200 barrels a day, stamped that region as worthy of a lot of investment in drilling operations. There were extensions to the Cushing field, and to the Cleveland district in Pawnee County, while Muskogee, Okmulgee and Wagoner counties, were punctured where the drill had never gone before, with the result that surprisingly good wells were completed in each of those counties and at the close of the year there in the hope of finding other gushers. The Yale pool showed a great advance in the course of the year and operations resulted in extending it both north and south, but at the close of the year its limits, especially to the south and east had not yet been determined. The sand there proved to possess unusual staying qualities and while, because of the depth of the sands and the expense of drilling, it continues to be a "rich man's" field it is regarded as very choice territory by those so fortunate as to hold leases there. Its production is included in the figures for the Creek Nation, although it has grown to sufficient importance to be counted separately.

———o———

Bill Mason left the other day for a brief business trip in Oklahoma.

* * * *

Billy Williams, cashier of the Williams Bank at Irvine, was over for a brief visit.

* * * *

Dave Melick has been spending a few weeks with his family in Cleveland.

* * * *

Harry B. Wilson, the workman's compensation insurance man, of Irvine, was in the city this week.

———o———

ASSOCIATION BADGES READY.

The official badges for members of the Kentucky Oil Men's Association are now ready, and members may obtain them from the Caskey Jewelry Co., located on West Main Street, which is approximately one block west of the Oil World Office.

The design is especially attractive, being of purple enamel with three derricks of gold in foreground.

EASTERN FIELDS

PITTSBURGH, Pa.—Conditions for resuming development work in the eastern fields show a very little improvement since they were last reviewed. Down to the close of the week the mercury hung around the zero mark. Several snow flurries added to that covering the fields augmented the inconvenience of getting work started or keeping that going that had been started. Shortage of fuel was another hindrance that added to the worries of oil operators and the transportation companies as well. Taking all in all, oil men have had a pretty strenuous time for nearly two months. In many fields work that should have been finished more than a month ago is still shut down. During the holiday season many of the workers in the field took a vacation and the weather since has been so severe that they could not be induced to return. An increase in pay could not tempt rig builders to face the hardships that they would have had to endure. Operators are anxious for new production but there will be no concerted effort made to get it before spring. To make the attempt now would add greatly to the cost, and the present high market would not justify the additional expenditure.

On last Thursday nothing in the history of oil industry had created so much consternation as that caused by the announcement that Fuel Administrator Garfield would at once close down all industries not engaged in the manufacture of munitions of war in order that fuel might be conserved. It was at first thought that the order would apply to the oil industry and in that event the business paralyzed for a time subjected to an injury from which it would not soon recover. Fears of such drastic measures were dissipated the following morning when it was announced that the order, sweeping as it was, did not include the oil industry. To have ruled otherwise would have worked a great hardship in more ways than one. Oil producers would have suffered a heavy loss on account of shutting down their wells. Moreover, in the Eastern fields where gas has been used for fuel and the supply no longer adequate to meet the demand, thousands have been compelled to resort to oil (kerosene) as a fuel. So great has been the demand for oil-burning stoves that dealers have for months been unable to fill their orders. It would iot have caused any great alarm had the Garfield order applied to drilling wells. The cold weather has been taking care of that end of the industry and no signs of raising the embargo.

Fewer completions were recorded in the Eastern fields during the past week than for any week preceding during the winter. In the list of completions there was not one having an initial production of 50 barrels and only one important as to location. In the Pennsylvania fields the new developments in Red Bank township, Clarion County, has for several months been of local interest. During the week Norwood Johnston & Co. completed and shot a test well on the James Bedaker farm, located northeast of the first good producer completed on the Pine Run Coal Co.'s property. It has not been put to pumping but will not be good for more than 10 or 15 barrels. Since the well is located only 700 feet from the good producer its size is something of a disappointment. If the producing limits of the pool are to be extended it will have to be in some other direction than the northeast. On the same line 700 feet in advance is a dry hole. To the southwest on the Pine Run Coal Co. property there is also a dry hole, which makes it look bad for an extension on a northeast and southwest line. The tests now drilling to the east and west of production will show if an extension can be had in either or both directions. Up to the present time six wells have been completed. Two are good producers, averaging 75 and 100 barrels, respectively. Two are light pumpers and two are dusters. The good showing made by the first two wells completed made the territory look attractive and local operators did not hesitate to put up liberal bonus money for leases. It rather looks as though the land owner is to be the principal winner.

The local fields had nothing attractive to offer. In the four southwest counties there were but three completions and all unimportant as to size and location. When conditions are favorable there will be quite a little new work started in the old districts. In active work, Greene County will continue to hold first place. Operators will continue to prod the old fields so long as there is a chance to get a little new production.

The West Virginia fields completed but few wells and all of the most ordinary kind. The fact of the matter is operators did not have the courage to combat cold weather, deep snow, shortage of gas and water to try and keep drilling going. In some fields one or all of the hinderances mentioned would have had to be overcome. If, in the West Virginia fields there was some prolific producing territory awaiting development, it would be different. There is nothing of the kind in sight and only desultory efforts made to complete work in the old fields.

Two wells somewhat important as to location were compelted on Little Sandy creek, Elk district, Kanawha County. One was drilled by the Central Oil Co. and the other by the Ohio Fuel Oil Co. Both are wildcats, located four miles west of Union, and both dry in all sands. In the newer districts in the lower counties, there were several gas wells and in the old districts a few light pumpers completed.

Southwest Pennsylvania and West Virginia made a poor showing, but southeastern Ohio fields were even worse. In the shallow sand districts where drilling machines are used principally, there was almost nothing doing. For the first time in a number of years the deep sand territory failed to complete more than two wells in a week. Many wells are long past due, but have been shut down and will remain in that condition until the weather moderates. The work that has been brought to a standstill is all located in defined territory and can wait.

The best producer of the past week came in at the close and is a deep sand producer in southwestern Ohio. It is the Preston Oil Co.'s No. 5 on the J. M. and M. V. Loomis farm, located in the northeast quarter of Starr township, Hocking County. The first 24 hours after the well was drilled into the Clinton at a depth of 2,974 feet it flowed 75 barrels. This location is 100 feet north of the test on the J. L. Goodwin farm and inside of defined limits. When completed and shot it should do quite a little better than 100 barrels a day.

The northern end of the deep sand territory has more test work starting than any other section. In Pike township, Cochocton County, Spindler, Donnan & Co. are due at a second test on the McKee farm. The same parties have the rig completed for a test on the William F. Anderson farm. In the same locality, the Leonard Oil & Gas Co. has rigs completed for tests on the McKee, Howard Ashcraft and Frank Fleming farms. The Plymouth Oil & Gas Co. has rig timbers on the ground at a location on the Stanley Sharpless farm. In Fallsburg township, Licking County, the Leonard Oil & Gas Co. has placed the rig timbers at a location on the Mate Moran farm.

In Grandview township, Washington County, located in the Reas Run district, Wickersham & Co. have drilled their test on the L. Huchison farm through the Big Injun. It is a duster. In Brush Creek township, Muskingum County, the Fritz Oil & Gas Co. is due in the sand at No. 8 on the William Longstreth farm. In the same locality, the Southern Oil Co. is due to get the sand this week at a test on the C. E. Longstreth farm.

The Southern Oil Co.'s No. 8 on the A. Wince farm, located on Dutchman's run, Murph district, Ritchie County, was drilled through the salt sand last Friday and is showing for a natural producer, good for 35 barrels. On the same stream and in the same district, the South Penn Oil Co. has drilled No. 14 on the Sarah J. Lemon farm through the salt sand and showing for 10 barrels.

In Central distrist, Doddridge County, the Imperial Oil & Gas Products Co. completed a second test on the Daniel Duckworth farm, showing for 15 barrels in the Big Injun. In Clay district, Ritchies County, the Carnegie Natural Gas Co. drilled a test on the James Garner farm through the Gordon. It is located three miles north of production and not good for more than 4 or 5 barrels.

In Salt Lick district, Braxton County, the Philadelphia Co. drilled its test on the H. M. Partlett farm through the Big Injun sand. It is a light gasser in that formation. In the same district the Hope Natural Gas Co. is rigging up at tests on the I. N. Brown and M. E. Shouldis farms.

On Long Drain run, Church district, Wetzel County, the Philadelphia Co. has a gasser in the Gordon at No. 3 on the M. J. Higginbotham farm. On Pyles Fork, Mannington district, Marion County, the same company drilled a test on the Aaron Furbee farm into the Big Injun [illegible] and will not be drilled deeper at this time. [illegible] County, the Hope Natural Gas Co.'s test [illegible] in the Grantz sand.

On Miller's run, Stener district, [illegible] pleted and put to pumping [illegible] ducing 8 barrels. On [illegible] Hope Natural Gas Co. is [illegible]

In Skin Creek district, Lewis [illegible] a test on the Gould heirs farm [illegible] give it a test. [illegible] In the same district, the Philadelphia Co. [illegible] N. E. Blatt farm. In Freeman's Creek [illegible] up at tests on the L. Sclorn [illegible] trict, the same [illegible] same district the Southern Oil Co. [illegible] H. M. Turner farm.

On Horn creek, [illegible] started to drill at a test on the [illegible] district, the same company is [illegible] Rohr farms. On Long Drain run, [illegible] Natural Gas Co. is drilling on the [illegible] second test on the Alice Edgell farm. On [illegible] Jackson County, the Ravenwood Oil & Gas Co. [illegible] John Barber farm. On Ammamoriah creek, Sheridan district, [illegible] Hope Natural Gas Co. has started to drill on the I. A. [illegible]

The southwest Pennsylvania fields had no completions [illegible] week. All of the wells that are due or past due in the sand have been shut down on account of cold weather or a shortage of gas. In Red Bank township, Clarion County, Norwood Johnston & Co. are putting their well on the James Bedaker farm to pumping.

All late wildcat ventures on Little Sandy river, Elk district, Kanawha County, W. Va., have proven failures. The last two are the Central Oil Co.'s test on the J. H. and R. H. Copenhaver farm and C. H. Neff & Co.'s test on the T. A. Sampson farm. Both have been drilled through the Berea and dry. These two tests are located about two miles north of Union. A few days ago two tests were completed, both dusters, located about two miles west of Union. On Straight fork, Duval district, Lincoln County, the South Penn Oil Co. has started No. 14 on the Emma Griffith farm.

In Mannington district, Marion County, the Eastern Petroleum Co. has drilled its test on the A. L. Thomas farm into the first Gordon pay. The hole has filled up 1,000 feet and is showing for 10 barrels. On Walnut fork, McElroy district, Tyler County, the Manufacturers' Light & Heat Co. drilled its test on the Alphas Tennant farm into the Gordon. It is a gasser.

In Freeman's Creek district, Lewis County, the Southern Oil Co. drilled No. 4 on the H. M. & A. A. Turner farm through the salt sand and it is showing for 10 barrels in that formation. In the same district the South Penn Oil Co. has now completed a test on the J. Freeman farm, good for 10 barrels in the Gordon sand.

In Church district, Wetzel County, the Carnegie Natural Gas Co.'s test on the J. D. Bartrug farm is producing 25 barrels from the Maxon sand. In the same district the same company's test on the B. F. Wells farm is a gasser in the same formation. In the Centerville district, Tyler County, the Columbia Oil Co. has the rig completed for a test on the Z. M. Pierpoint farm. In the same district the Pure Oil Producing Co. is starting No. 10 on the G. A. Riggs farm.

In McElroy district, Tyler County, the American Oil Development Co. has put No. 10 on the Moses Spencer farm to pumping. It is not good for more than two barrels in the Big Injun. In the same locality, the same company has started a test on the A. H. Nichols farm. The Ridgeway Oil & Gas Co. is drilling a test on the A. T. Meredith farm, and the Hope Natural Gas Co. has the rig completed for a test on the M. H. Keyser farm. The Pittsburgh & West Virginia Gas Co. has completed a rig for a test on a part of the same farm.

In Union district, Pleasants County, Richard Gallagher & Co. have completed a second test on the S. E. Bills farm. It is a 10 barrel pumper in the Keener sand. In the same district, I. C. White & Co. are due in the Cow Run sand at a test on the Riggs Bros. farm. In the Calcutta district in the same county, S. Y. Ramage's No. 41 on the Soloman Pethtel farm is a 5-barrel pumper in the first Cow Run sand. In Lafayette district, the Omaha Oil & Gas Co. is 1,500 feet at a test on the A. P. Jones farm and fishing. In the same district, the Poplar Run Oil Co. has drilled a second test on the Dollie Thomas farm to a depth of 1,700 feet and shut down.

Very light pumpers are the late offering in the southeastern Ohio fields. In Fairfield township, Columbiana County, T. R. Phillips' No. 10 on the G. L. Knoll farm is a very light pumper in the Berea. In the same district, George Vickers, trustee, completed No. 7 on the Mrs. Sarah A. Smith farm. It is also a light pumper in the Big Injun.

In Lawrence township, Washington County, the Fraternity Oil & Gas Co.'s second test on the John Henry Ward farm is a 2-barrel pumper. In the same district, G. L. Watson & Camden have started to drill a second test on the Isaac Fitler farm. The J. B. Braden Oil Co.'s No. 8 on the James Decker farm has been put to pumping and is producing 10 barrels.

OIL STOCKS EXEMPTED

NEW YORK—The decision of the United States Supreme Court, holding that stock dividends are not taxable as income, will undoubtedly [illegible] to holders of oil stocks, especially in such companies as the Atlantic Refining Co., Standard Oil Co. of New Jersey and the Prairie Oil & Gas Co. [illegible] very likely result in several of these companies declaring stock dividends, according to Financial America.

The Standard Oil Co. of Indiana, the Ohio Oil Co. and the Continental Oil Co. have already increased their capitalization and several of the subsidiaries [illegible] the Standard Oil Co. of New York have done likewise. It would not be surprising if the board of these companies in the near future declared stock dividends from the accumulated surpluses. In fact, in well-informed [illegible] said that this will be done.

Nearly all of the Standard companies and a number of the independents have piled up large surpluses during the last three years, very little of which have been distributed to stockholders. Periodically for the last [illegible] it has been rumored that the Atlantic Refining Co., whose capital is only [illegible] and the surplus of which is now more than $30,000,000, would declare [illegible] stock distribution. The same is true of the Standard Oil Co. of New Jersey, which, according to the last financial report in 1915, earned more than [illegible] net, only $20,000,000 of which was paid out in dividends. The Texas Co., the Tidewater Oil Co., the Midwest Refining Co., the Imperial Oil Co. and a number of smaller concerns, including the Oklahoma Producing and Refining Co., the Cosden Oil & Gas Co., are expected to declare extras at least before June 1—the date of tax payments.

The Standard Oil Co. of New York has been earning at the rate of almost $40 a share, having earned in the neighborhood of $35 per share last year. The company has only been paying dividends of $3 a quarter and the surplus of $40,000,000—more than half of the outstanding capital—gives rise to the belief that the capitalization will be increased from $75,000,000 to $100,000,000.

The Midwest Refining Co. and The Texas Co. are particularly favorably affected by the Supreme Court decision among the independents. The Texas Co., for the last couple of years, has been giving stock dividends—that is allowing its stockholders to subscribe to new stock at par, which added from to [illegible] 30 points a share to the holdings. The Texas Co. has been one of the most progressive of the independents and its management is regarded as one of the best in the country. While there is no immediate possibility of another issue of Texas stock, the decision indirectly supports such a measure.

KENTUCKY NEWS

SANDY HOOK, Elliott County, Ky. (Special)—Mr. Miller, geologist for the Ohio Cities Gas Co., was in Elliott County last week and located sites for the drilling of two wells upon the Fulton 4,000-acre lease in the eastern part of the county.

The Bourbon Oil Co. has contracted to drill a well on the L. C. Prichard 1,200-acre lease on Newcombe creek, near Eldridge. Operations will begin when weather conditions are favorable.

The Federal Oil Co. contemplates drilling two wells near Isonville.

Mr. G. W. Rankin, of Ft. Atkinson, Wisconsin, will drill a well on the N. B. Gillum farm near Burke, in the near future.

Leonard B. Hobbs, of Hookstown, Pa., has contracted to drill a well on the S. L. Green 1,000-acre lease, to be in operation 60 days after January 10, 1918. This lease is located in the northern part of the county near Ibex, which is in the vicinity of Stark.

The well being drilled on the C. W. Vencill farm at Wyett, in the western portion of Elliott County, will be completed as soon the the weather conditions are favorable. This well is creating much interest.

Geologists claim that some of the best structures in the State are located in this county. Below are some of the additional companies that are interested in this county: The Rice Oil Co., Atlantic Oil Producing Co., Atlas Oil Co., A. V. Oil Co., United Fuel and Gas Co., O. K. Oil Co., Carl K. Dresser, of Bradford, Pa., John P. Lea, L. G. Larus, of Richmond, Va., H. L. Claiborne, of Baltimore, and J. H. Vansant, of Sandy Hook, Ky., own several thousand acres of leases in southeastern part of the county.

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RUNS LIGHT—COMPLETIONS FEW.

Following are the runs and completions for the week, as reported by the Cumberland Pipe Line Company:

Busseyville	342.51	Wagersville	980.09
Fallsburg	940.02	Beaver Creek	117.12
Cooper	836.23	Ragland	155.83
Steubenville	1,101.84	Parmleyville	687.91
Denny	748.22	Pilot	13,925.83
Cannel City	328.00	Pilot	2,643.80
Fitchburg	14,395.31	Zachariah	1,387.39
Ravenna	4,074.90	Campton	158.17
Ravenna (a)	2,166.22		
Ravenna (b)	13,534.22	Total	59,592.49
Campton	168.88		

COMPLETIONS.

Campton District, Wolfe County, McMann Oil and Gas Co.—No. 1 Dave Rose, Dry.

Wagersville, Estill County—Lexington Petroleum Co., No. 1, John M. Kelly, 15 barrels.

Pilot District, Powell County—Ohio Oil Co., No. 4 ,John B. Rogers, 10 barrels; Barnett Oil and Gas Co., No. 1, Gain Rogers, dry.

Zachariah, Lee County—Sistersville O. and G. Co., No. 1, G. Townsend, 75 barrels.

The Petroleum Exploration Company report their No. 17 on the Miller-Goff-Prewitt tract as good for from 15 to 25 barrels.

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The Columbia Oil & Gas Co., of Louisville, has made a contract with E. M. Nowell for the drilling of three wells on its lease on the 60-acre tract belonging to E. S. Moore farm. This is on land within a few hundred feet of the well of Nowell which he drilled on another part of the same farm a few weeks ago and which is variously estimated between 50 and 100 barrels.

The contract was made through J. H. McClurkin, the general manager of the Columbia Company and provides for the commencement of operations at an early date. The site is but short distance northwest of the big well on the Geo. Booth farm and near the Poplar Sign Board production and about a mile south of the producing wells on the Jack Wells farm. Acreage in that section has been selling from $250 to $400 per acre. The Cumberland Pipe Line Company has made a survey for its lines through the Moore farm and along Little Sinking Creek to its pumping station on Miller's Creek, near Pryse, from which point the oil will be forced into its trunk line under high pressure.

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RUNS FROM DISTRICTS.

The following are the runs from the various districts for week ending January 19:

Busseyville	518.97	Ragland	260.85
Fallsburg	1,075.14	Parmleyville	378.42
Cooper	779.96	Pilot	14,234.40
Denney	376.64	Pilot	5,121.19
Steubenville	569.26	Zachariah	324.29
Cannel City	107.64	Stillwater	319.13
Fitchburg	9,178.08	Williamsburg	151.45
Ravenna	2,502.35		
Ravenna (a)	1,356.05	Total	50,647.61
Ravenna (b)	11,858.21	Total preceding week	59,592.49
Campton	351.18		
Wagersville	741.16	Decrease	8,944.85
Beaver Creek	254.27	Daily Average	8,441.27

COMPLETIONS.

The following are the reports of completed wells, as made by the Cumberland Pipe Line Company, production estimated:

Busseyville, Lawrence County—Ohio Fuel Oil Co., No. 4, Bettie Pigg, 2.

Fallsburg, Lawrence County—Ohio Fuel Oil Co., No. 2, James Short, dry; A. J. Dalton, et al, No. 1, A. B. Waller, 4.

Cannel City, Morgan County—Atlantic Oil & Gas Co., No. 1, H. W. Vance, No. 1 (1,500 feet) dry.

Pilot, Powell County—White Bros. & Huff, No. 48, John M. Ashley, dry; Petroleum Exploration Co., No. 17, Miller-Prewitt-Hoff, 20.

Zachariah, Lee County—Caldwell & Fike, No. 2, J. H. Brewer, dry; Cameron & Watson, No. 2, William Wells, 75.

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It is reported that a fleet of oil boats will ply the Kentucky river as soon as the weather permits.

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On the Frank Townsend lease, south of the Jack Wells, Nowell, Dodge and Woodbury are due.

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Will Mason has completed a 20-barrel well on the S. B. Smith farm, which is located southwest of Campton in Wolfe County.

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The Empire Oil & Gas Company have drilled a 5-barrel well on the C. B. Moberly lease, located on Millers' Creek, in Estill County.

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In western Kentucky, in the Scottville field, in Allen County, the Sycamore Oil Co.'s test on the Edward Dalton farm, is showing for 25 barrels.

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In Elliott County, near Isonville, the Rice Oil Co. drilled a light gas well on the J. Dials farm, at a depth of 1,375 feet.

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A transfer of lease on 10,000 acres is reported from Pulaski County to capitalists from the east.

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Crain and Cramer, of Washington Court House, Ohio, have completed a good producer on the Jesse T. Smith farm, located one mile southwest of the Jack Wells production. After penetrating 18 inches the fluid filled 600 feet.

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In the Steubenville district, Wayne County, the Sunnyside Oil Co. is drilling No. 6 on the A. R. Humble farm, and the Wood Oil Co. has started No. 11 on the T. C. Morrow farm.

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In the Busseyville district. Lawrence County, the Big Blaine Oil & Gas Co.'s test on the Jesse Bernard farm pumped 5 barrels, while the Ohio Fuel Co. drilled a dry hole in No. 2 on the James Short farm.

TICKER NEWS

Considerable talk has been heard in regard to American Beet Sugar Co., whose directors meet next week. They expect a special dividend which may start something.

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American Linseed Oil continues its uptrend and bold leaders are talking forty for it.

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American Distillers, American Steel Founders, Enamel Marine Common are reported to be in strong hands and are due to advance soon.

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A prominent New York banker is quoted as saying, "I hear the next Liberty Loan will be a five-year, four per cent., non-taxable bond."

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Ben Bryan, senior member of Logan & Bryan, one of the leading New York brokerage firms, wires, "I have been wiring for the past ten days that peace seems nearer than ever to me. Von Hurtling's reply speaks for itself, and I strongly feel that peace parleys will be on us soon."

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Houses with Canadian connection say, "Would keep off the short side of Canadian Pacific." Stock has been accumulated by strong interests and is looked forward to bringing about a healthy advance.

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Much interest is being displayed as to what extra dividend the U. S. Steel Corporation will declare at its next meeting. A prominent New York house closely related to the steel interest is quoted as saying that they look for the regular dividend of 5 per cent with 3 per cent. extra, while the more conservative believe 2 per cent. will be declared.

The Phoenix Oil Production Co., of Lexington, with a capital of $50,000, has been incorporated by Fletcher Mann, W. P. Richardson and L. L. Roberts.

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In the Glasgow field, in Barren County, Frick & Lindsay's No. 1 Rosseau farm, shows for 10 barrels, and No. 2 for about 15 barrels. Considerable test work will be done in this county the coming summer.

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In Knox County, Perry and others' No. 3 on the Hampton farm, is reported showing for about 5 barrels, with No. 4 drilling. Curran and others are drilling a well on the J. H. Morris farm, near the Hampton farm.

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In the Irvine field, in Estill County, the Empire Oil & Gas Co.'s No. 9 on the J. L. Ross farm pumped 5 barrels. The Lexington Petroleum Co.'s No. 1 on the John M. Kelley farm pumped 15 barrels, and F. H. Yates is drilling No. 4 Saban Parks farm.

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In the Pilot district, Powell County, the Ohio Oil Co.'s No. 4 on the J. B. Rogers farm pumped 10 barrels. The Neely Oil & Gas Co.'s No. 2 on the Charles Means farm is reported showing for 10 barrels. The Barnett Oil & Gas Co. drilled a dry hole in a test on the Cain Rogers farm.

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The Pan-American Oil Company have two machines on the Dave Gilbert least, which is located between important production in Lee County, lying between the Hopewell Oil Company, No. 2, and the Bernice Noland and Pendergrass wells.

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The Gordon Oil and Gas Company's recent advent to the Kentucky oil fields, with offices in Lexington, will start operations soon on the Tom Dotson farm in Wayne County, which adjoins productions operated by the Wood Oil Co. Max M. Gordon, of Detroit, is the company's president, and it is reported that they have considerable acreage in various parts of the State.

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In the Stillwater district, in Wolfe County, the Mountain Oil Co.'s No. 2 on the Oscar Cecil farm, pumped 5 barrels, and the McCann Oil & Gas Co.'s No. 1 on the Dave Rose farm was dry. Whitcomb and others are drilling a test on the Nicol farm. In the Torrent district, Lem G. Neely is drilling a test on the Peter Legg Farm.

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In the Zachariah district, Lee County, the Sistersville Oil & Gas Co.'s test on the Garret Townsend farm in the Sign Board district pumped 75 barrels. This is getting to be the most important point of the old Irvine development, and the best pay sand is found at a depth of close to 1,300 feet. E. M. Nowell and others' well on the Gilbert farm is reported to be showing for 25 barrels.

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The No. 2 well on the Pendergrass farm in Lee County, operated by Nowell, Rogers and others, located one mile south and west of No. 1, is 50 feet in the sand and showing for a prolific producer. The drill is still pounding away for better pay and it is likely that several more feet will be penetrated before the operators are satisfied with the best results in the new well. This well extends the Lee County field and makes good a large area.

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It is announced that Mullin & Mullin will lay a gas line from their three gas wells near Mize, in Morgan County, to the main gas line of the Central Kentucky Gas Co., running from the West Virginia fields to numerous towns and cities in Kentucky, and will dispose of their product in that manner. While the wells are not large, they will very materially increase the volume which has not been any too good during the cold snap.

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A rumor comes from Magoffin County of a strike just made and drilled by N. P. Howard, on the James Frazier farm, on Short Fork of Rockhouse Fork, of Burning Fork, a tributary of the Licking river, and about a mile and a quarter due east of Bradley postoffice and about the same distance to the north of the Burning Fork gas field. The well is reported to be showing for close to 50 barrels, but is no doubt overestimated, as is the case with most Kentucky wells.

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Capt. R. H. Willett, an old time river man, who has been doing a coal business at Paducah for many years, has sold his entire floating plant, consisting of two steamboats and a number of barges, to the Aetna Oil Co., which corporation will use them in the transportation of oil from the Irvine field to a new refinery at Louisville. The barges are now being fitted with oil-tight compartments and arranged for carrying 2,000 barrels a trip. It is only a question of a few months until the oil men from the Scottsville and Bowling Green fields will find a market by boat from Bowling Green, via the Barren river, which is navigable to the Ohio river. Louisville refinery men have already been in the western section of Kentucky, making an effort to sign up oil production, which would mean that a pipe line will be put in through the field with a terminus at Bowling Green.

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One of the new companies organized that will mean much for the western Kentucky field, is the Allen County Petroleum Co., of Scottsville, with a capitalization of $100,000. This company has been organized by Edward R. List, one of the best known oil men of the Central West field, and for many years with the Eastern Oil Co., of Buffalo. The new company consists of officers as follows: Frank W. Smith, Gary, Ind., President; William Schnitz, Gary, Ind., Secretary; H. L. Grooms, banker, Fountain Run, Ky., and Edward R. List, General Manager. The Board of Directors consists of the officials with A. G. Braswell, of Scottsville, Ky., and E. A. Hartman, of Centralia, Ill. Mr. Hartman is proprietor of the Marshall Field store at Centralia. The holdings of the company consists upwards of 20,000 acres in Kentucky and Tennessee. The company has closed a deal with the State Line Oil & Gas Co., of Independence, Kansas, to drill three deep test wells on some of its holdings in Macon County, Tenn., each well to offset a lease of 160 acres. This company has made arrangements for the drilling of 20 wells and work will start as soon as the weather conditions will permit. Mr. List being one of the practical oil men of that section of the State will no doubt rush developments. He is also president of the Central West Oil Men's Association and a live wire.

WYOMING FIELD

CHEYENNE, Wyo.—The advent of an independent refinery at Casper, where are situated the plants of the Midwest Refining Co. and the Standard, is forecasted by R. J. Messier, a Denver oil operator, who states that he has the necessary backing and will organize the Northwestern Refining Co., which concern will build a refinery at Casper, with the intention of competing with the Midwest for crude from the Salt Creek, Big Muddy and other fields. The promoters of the Northwestern Refining Co., Messier states, have secured refinery and tank farm sites on the opposite side of the North Platte river from the Midwest plant, already have signed up some production and are assured of ample additional production and have backing sufficient not merely for the refinery which is proposed, but for the necessary pipe lines from the fields.

The Ohio Company is 1,600 feet on the Lance Creek dome, Niobrara County. Ten-inch casing was set to this depth and the hole will be carried on with 8-inch casing. The Cactus company has its rig up on this dome. The Allen company has shut down for the winter because of failure of water supply. The Rispin Company reports good progress with its well.

The Lusk-Montana Company, drilling the Buck Creek dome, Niobrara County, has shut down for the winter. The well is 2,700 feet. The Clark Producing & Refining Co. is 1,200 feet on the neighboring structure known as the Old Woman Creek dome.

The Union Oil Co. of California, which is drilling the Sunset holdings of 19,000 acres in Converse and Niobrara Counties, is freighting a standard rig from Keeline to a drilling site on Twenty-Mile creek.

Gas is still preventing a resumption of work on the Producers & Refiners' well in the Big Sand Draw field, Fremont County. The gas is coming from a stratum encountered at 2,400 feet. Material which will make possible a resumption of drilling probably will not be on the ground for two or three weeks.

Excavation for the foundations of the first six stills of the plant which is to be installed at Riverton by the Riverton Refining Co. has been completed, and material for the cement work now is being moved to the site.

The Southwest company, drilling in the East Moorcroft field, Crook County, has brought in its fourth well at 700 feet. The drill was sent 25 feet into the sand and the showing indicates that the well, after it is shot, will be good for 25 barrels daily. No. 1 will be deepened to the second Wall Creek sand.

The Ohio Company's rig is up in the North Moorcroft field and a winter camp has been established. The company's first well in this field, at a site about a mile north of the discovery well drilled by the Butte petroleum Co., will be spudded in on receipt of delayed material which is expected to arrive within a few days. The Ohio's rig is a standard with a range of 3,500 feet. The Wall Creek sand is estimated to lie at a depth of about 2,500 feet at the Ohio site.

Production in the Lost Soldier field has been so increased by shallow wells brought in recently that work has been stopped on the West & Hazlitt (Prairie Oil & Gas Co., of Kansas) pipe line to Fort Steele and this line is to be laid with larger pipe. The present production of the field exceeds the capacity of the pipe line as originally planned and as started. No announcement relative to the refinery which is to be built at the Fort Steele terminus of the line is forthcoming.

Several rigs are going up in the Lost Creek field, Sweetwater County, and one concern is reported already to be drilling there. This field, which lies to the west of the Lost Soldier, is one of the most remote in Wyoming.